



Doing Business In United Arab Emirates

A Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In United Arab Emirates

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Market Overview

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The United States and the United Arab Emirates have a strong bilateral relationship, based on a joint commitment to the security and stability of the Gulf region. Our two governments also share many similar concerns on a host of other international issues. Exports in both directions have increased almost every year since the UAE, a federation of seven emirates on the Arabian Gulf, was founded in 1971. In May 2004, the two countries signed a Trade and Investment Framework Agreement, and at this writing (January 2006), FTA negotiations are progressing.

The prosperity of UAE citizens is based in great part on the country's vast oil and gas reserves, most of which lie in the largest emirate and seat of the capital, Abu Dhabi. The UAE has nearly ten percent of the world's proven oil reserves and five percent of proven gas reserves. Other emirates include Dubai, Sharjah, Ras al Khaimah, Fujairah, Ajman, and Umm al Quwain. The country is an active member of the Gulf Cooperative Council

(GCC), which includes Saudi Arabia, Kuwait, Oman, Qatar, and Bahrain. According to official 2004 UAE statistics, the per capita income is US\$20,130.

The UAE, long recognized as the commercial and business hub of the Arabian Gulf, is home to the busiest man-made port in the world, Jebel Ali. This Gulf powerhouse has no corporate taxes (with the exception of banks and foreign oil companies that have concessions in UAE oilfields), no income taxes, and a relatively low import duty of five percent. The UAE ranks as our third-largest trading partner in the Arab World, after Saudi Arabia and Egypt. US exports to the UAE, excluding defense sales or services, totaled US\$4.1 billion in 2004, while imports from the UAE were roughly US\$1.1 billion. With a US\$90 billion a year economy and excellent infrastructure, the UAE is an ideal location for US companies to conduct business. The presence of over 500 US firms here underlines this fact. To name just a very few: Lockheed Martin, Boeing, General Electric, Raytheon, Northrop Grumman, General Dynamics, FedEx, Ford, Johnson & Johnson, MSD, ExxonMobil, CMS Energy, Microsoft, Motorola, and many more. US companies see the UAE as an excellent place to establish a regional presence because of the can-do, pro-business orientation of the leadership, and the stability of the country.

The UAE, a model for digital readiness in the Middle East, has embraced the Internet age. Mobile phone and PC usage levels are among the highest in the Middle East. The Emirate of Dubai, capitalizing on its strategic trading position between Central Asia, the Middle East, and Africa, is growing dramatically. This emirate has attracted international investment, companies and visitors with landmark projects such as vast housing developments and the ambitious man-made Palm Islands, which include private residences and hotels. Dubai's Jebel Ali Free Zone (JAFZ) has over 2,400 companies, including 150 US-owned firms. Other Dubai free zones include Media City, Knowledge Village and Internet City. Borrowing on the success of JAFZ, other emirates have also created free zones.

The UAE is a member of the WTO and a signatory to the General Agreement on Tariffs and Trade (GATT), the General Agreement on Trade in Service (GATS), and the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS). The UAE Government has stated that it hopes to conclude a Free Trade Agreement with the USA during 2006.

Market Challenges

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The UAE, although an attractive market for a wide variety of products, can be a difficult place for American firms to do business. It is not a market for the first-time exporter. The legal system protects local entities. Foreign companies find it extremely difficult to legally dismiss a non-performing local agent without protracted litigation, and it is difficult, if not impossible, to sell without a local agent. Payments tend to be slower than in the US and Europe. The US Embassy strongly advises companies wanting to do business in the UAE to seek competent legal counsel while exploring the market and to get to know their prospective client or business partner well prior to entering into an agreement.

Although oil and gas production will remain the backbone of the UAE economy for years to come, the non-oil sector of the economy is growing at a rapid pace. Major growth areas include: aircraft & parts, security and safety equipment; IT equipment and services; medical equipment, services and supplies; architecture, construction, and engineering services; building products; air conditioning and refrigeration equipment; environmental and pollution control equipment; and sporting goods and equipment. Water and power projects continue to offer considerable opportunity due to the UAE's unquenchable thirst for water and electricity.

There is no personal income tax.

U.S. fast food and casual dining restaurants are popular in the UAE, particularly with the younger generation. Many of the ingredients are imported from the U.S.

Good prospects for U.S. food exports, in descending order include: Vegetable oils, beverage bases, breakfast cereals, poultry parts, fresh fruits (specifically apples and pears), honey, frozen vegetables, snack foods, cheeses, almonds, fruit and vegetable juices, and miscellaneous food products, particularly hot sauces, salad dressings, catsup, mayonnaise, vinegar, iodized salt, ice cream, frozen dough mixes, Tex-Mex foods and coffee whiteners.

A rapidly developing nation, the UAE has traditionally been, and continues to be, a leading trading center. High product quality, reliability, training, and after-sale service continue to be attractive features for US exports. American goods and services find a ready market here, one that will present many opportunities for US firms for years to come. US companies seeking general export information, assistance, or country-specific commercial information should contact their nearest US Export Assistance Center, the US Department of Commerce's Trade Information Center at 1-800-USA-TRADE (1-800-872-8723), or visit: www.export.gov or: www.buyusa.com.

Agricultural reports are available via the Reports Office, USDA/FAS, Ag Box 1052, Washington, D.C. 20250-1052 and via the FAS Home Page on the Internet at the following URL:

<http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/5444.html>

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Using an Agent or Distributor

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The UAE legal system distinguishes between the two forms of commercial agents- the registered and the unregistered commercial agent. Local companies prefer to work as registered agents for the law favors this arrangement. On occasion, local companies will accept to go the unregistered way based on good faith, but almost always prefer exclusivity.

UAE law does not distinguish between an agent and distributor, referring to both as commercial agents. The Ministry of Economy and Commerce handles registration of commercial agents.

The provisions relating to commercial agencies are collectively set out in Federal Law No. 18 of 1981 on the Organization of Commercial Agencies as amended by Federal Law No. 14 of 1988 (the Agency Law) and applies to all registered commercial agents. Federal Law No. 18 of 1993 (Commercial) and Federal Law No. 5 of 1985 (Civil Code) govern unregistered commercial agencies. Federal law is applicable throughout the UAE.

Selection of the right agent is the most important decision. Registered agents may not be terminated, except with sufficient cause as determined by a government committee that has usually ruled in favor of the local agent. In most cases, compensation to a terminated agent is required even if the committee rules for the foreign firm. Only UAE nationals or companies wholly owned by UAE nationals can register with the Ministry of Economy and Commerce as local agents.

Agency contracts: Terms and conditions vary. Commissions and other forms of compensation typically depend on the amount of work required of the agent and sales volume. Responsibilities and performance measures should be clearly defined. Establish the geographic territory covered (UAE law awards automatic exclusivity to the agent in the geographic area covered by the agreement). An agent must have a presence and be licensed to operate in each emirate, as there is no blanket license for the whole of the UAE. In some instances agents have been appointed on a project basis, with the relationship restricted to the specified project terminating automatically upon reward or completion.

It is recommended that a US company retain the services of a local attorney to ensure its best interests are carefully considered when drawing up an agreement.

U.S. companies have found our **Gold Key Service** very useful when needing to identify their local representative company.

Establishing an Office

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Regulation of the establishment and conduct of business in the UAE is shared at the federal and emirate levels. In general, foreign companies (except companies from GCC countries) that undertake business activities in the UAE or make their products available in the UAE can establish a presence in any of the following ways: entering into a joint venture with UAE nationals for the establishment of limited liability companies, appointing commercial agents, or setting up branch offices. Except for companies located in the free zones, at least 51 percent of a business establishment must be owned by a UAE national. A business engaged in importing and distributing a product must be either 100 percent UAE-owned agency/distributorship or a 51/49 percent (UAE/foreign) limited liability company. Subsidies for manufacturing firms are available only to those companies with at least 51 percent local ownership.

Franchising

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The UAE is very receptive to franchising. High per capita income, receptivity to new products, tax-free earnings and an upwardly mobile population are indicators of the

future growth potential for this market. Local companies have been driven to find new and unique franchise opportunities to meet the needs of this market due to the constant announcements of truly unique projects that are being built in the UAE. Undoubtedly, this is a booming sector across industries for the UAE. Currently, franchises are operating in fast foods; dine-in restaurants; auto leasing; apparel; soft drink bottling; beauty products; hotels; toys; photography; jewelry; vending machines; dry cleaning; furniture; hardware stores; office supplies; natural health products; publications; quick printing; garden care and florists; sporting goods; retail/convenience stores; maid and personal services. Today, the largest segment in this industry is fast food with most major US fast food companies already established. There remains considerable potential for franchises of all kinds.

General contract and commercial law apply to franchise agreements as no special legislation for franchise arrangements are currently in place. A single company or individual usually owns 100% franchise operation rights in the UAE. In other cases, the franchisee enters into a joint venture with the franchiser to operate all outlets as "company owned" stores employing local managers.

Direct Marketing

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The only time direct marketing can come into play is when you sell to the end user. Under local law the international company would still need to honor the commission payable to its local agent or distributor even if they had no part in the sale. Direct sale to the end-user approach is suitable only for infrequent, low volume exports, as marketing in the UAE is very competitive.

Other than advertising in newspapers and magazines the only other forms of direct marketing in the UAE are by way of limited unsolicited mail, fax and catalog sales campaigns (with local pick-up or delivery arranged). Commercials via TV and satellite channels offer an effective direct marketing approach reaching conservative UAE and expatriate women in the privacy of their homes. This method of marketing will to some extent be impacted by the wide usage of the internet in the UAE as it opens up an unlimited choice of products. Selling over the net will provide possibilities and accessibility to this market that were not available in the past.

Direct marketing is possible to the food processing sector, particularly in vegetable oils, including corn oil, soybean and sunflower-seed oils, beverage bases, dried pulses and a variety of food ingredients, particularly for the snack food and bakery industries.

Also, the growing Hotel, Restaurant and Institution (HRI) sector, particularly the hotel and the U.S. fast food and casual dining restaurants sectors, provide opportunities for direct marketing.

Finally, the U.S. military stationed in the region could provide opportunities for direct marketing through the U.S. military's designated prime vendor assigned for the UAE.

Emphasis is given to personal relationships in the Middle East when conducting business. Maintaining a local presence offers distinct advantages. Local business and government officials prefer to deal with someone they know and trust.

In a joint venture profit and loss distribution can be arranged as desired even though UAE majority ownership is mandatory. It is not compulsory to license the joint venture or publish the terms of agreement. The foreign partner can deal with third parties under the name of the local venture.

Banks, insurance, and financial companies must be run as public share holding companies requiring a minimum capitalization of Dhs.10 million (US\$2.725 million). The Chairman and the majority of Directors must be UAE nationals, and a more restrictive distribution of profit is enforced. Foreign banks, insurance and financial companies can establish a presence in the UAE by operating a branch or representative office, which allows 100% foreign ownership, but, in general, limits business activities to offshore operations.

Licensing of manufacturing processes is a growing market, especially with the UAE's desire to increase the quality and diversity of local production. The total market for industrial licenses remains relatively small due to the limited manufacturing done in the UAE.

The majority of licensing in the UAE is done for the fabricating and/or marketing of trademarked items. Licensees of US sports logos, universities, animated characters, etc., are servicing a very active market with one of the world's highest disposable incomes. Licenses to sell US brand products (an authorized dealer), as distinct from a standard distribution arrangement, or US logos/names/ characters on a non-US product, are becoming very sought after, especially in the apparel market. Licensing effectively meets the current demand, especially among young consumers, for American styles

Government buyers are either federal or emirate governments. Federal purchases are administered through the respective local authority in Abu Dhabi or Dubai. For most civilian purchases, government entities will usually only deal with firms registered in the UAE, or the particular emirate, and will favor local products over imports. Only when goods or services of acceptable quality are not available locally will the procurement authority seek outside sources. It is common for bids not to go out on a public tender, but are sent to select firms that were pre-qualified with the organization in question.

For all types of government procurement and projects, US firms are encouraged to seek a presence in the UAE and get their goods/services pre-qualified for procurement tenders.

Competition in the public sector is very strong. Besides large military procurement projects, governments in the UAE invest heavily in infrastructure projects, such as roads, power generation and distribution systems, desalination facilities, sewage systems, public housing, recreational facilities, hospitals and other medical facilities and services, schools, athletic facilities, refineries and other hydrocarbon facilities, airports, and government buildings. US goods and services enjoy an outstanding reputation for quality, but, with the exception of hydrocarbon-related industries, are under-represented in this market.

Distribution and Sales Channels

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The most commonly used way of selling into the UAE is by appointing a commercial agent. Other methods used, depending on the product or service, include direct sales to the end-user; sales through an informal, non-exclusive re-seller arrangement; establishment of a company presence through a joint venture; or authorization to a local firm via a licensing or franchising arrangement.

US exporters sometimes find it advantageous to appoint different commercial agents or distributors for different emirates. Multiple agencies and distributorships may also be appointed to handle diverse product lines or services. Many UAE companies handle numerous product lines, making it sometimes difficult to promote all products effectively.

Food distribution channels are as follows: importer/agent sells to cooperatives (20 percent), private supermarkets (50 percent), the wholesale market (10 percent) and institutional users (20 percent).

It is a common phenomenon for companies located in this country to use Dubai as their regional hub using warehousing facilities available at the numerous free zones to service their needs to other markets through the region.

Selling Factors/Techniques

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The commercial tradition of the UAE is that of the middleman or trader acting as a conduit for goods from large manufacturers to South Asia, the Gulf, and East Africa. Today, with Dubai emerging as the hub of the Gulf, the UAE still serves those traditional markets along with those of North, South, West, and Central Africa, and the rest of the Middle East. The business style prevalent is one that puts an emphasis on personal relationships and perceptions of integrity.

Traditional approaches to business are beginning to change. There is a growing emphasis on quality, after-sales service, and maintenance requirements and costs. A new trend of impersonal businessman/consumer has changed some of the business style. However, it does not yet represent the dominant practice. Personal relationships, particularly when UAE nationals are involved, still predominate. Since these

relationships take time to nurture, US firms are advised to invest time in the market with preferably a local presence or at least very frequent trips. This is not an activity that can be done long-distance. Face-to-face contact is essential. In addition, US firms should seek a local sponsor, agent, or partner with sufficient access and influence in those circles most relevant to that particular business.

In addition to personal relationships, price remains most often the dominant-buying factor. For US firms selling to traders, which is the dominant business type in the UAE, there is no substitute for price. Government procurement also places heavy emphasis on selection of the low bidder, as long as the lowest price bidder is compliant with all technical specifications.

Even though the UAE is relatively less conservative than some other Gulf states and English is widely spoken, sensitivity to local traditions and Islamic beliefs is essential. The use of Arabic in packaging and advertising is both desirable and effective (and sometimes mandatory) in marketing consumer goods.

US manufacturers and exporters enjoy an excellent reputation for product technology, quality and durability and the US market share is expected to increase. US companies face tough competition from European and Asian companies in the UAE, who generally have a larger presence in the region and/or offer comparable products and services at very competitive prices. Providing after-sale maintenance services is essential and US companies are advised to establish a presence in the UAE to be able to compete. In general, US companies with a manufacturing presence in the UAE or in any of the GCC countries are most likely to be able to compete in the UAE market, given the relatively low cost of production compared to other places.

Electronic Commerce

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The UAE can still be considered a cash-based country. A few private companies do offer this service but one cannot consider this to be a country very developed in e-commerce. A number of departments of the local government have successfully begun to offer e-services but in large part payment for these services is via pre-paid cards.

eCompany, a wholly owned subsidiary of the national monopoly telecommunication company, Emirates Telecommunication Corporation (or Etisalat as it is commonly known) has been approved by the UAE Cabinet of Ministers to be the sole Certification Authority for the UAE offering PKI based solutions required in an e-commerce environment.

Trade Promotion and Advertising

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Please click on the link below for the information on Trade Promotion and Advertising

http://www.buyusa.gov/uae/en/trade_promotion_advertising.html

Pricing

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For consumer goods, price is the primary buying factor for the middle and lower classes. These market segments are served through small stores and shops in traditional souks, or markets. Retailers in this category operate under razor-thin margins--1% or 2% is common--and rely on volume. At the other end of the scale are the segments of the society with large purchasing power made up of the majority of the UAE nationals and businesses and tourists. For this group, price is not a primary buying factor and retail margins are exceptionally high. These segments are serviced through specialty shops. US exporters must be ready to use pricing aggressively to encourage market acceptance of their products main features.

The average importer markup on food products is about 10-15%. Retail food prices are generally 20-25% above import/wholesale prices.

Price plays a major role in the decision making process on all major government and commercial purchases. Companies bidding on government tenders submit Technical and Commercial proposals that are reviewed and evaluated separately. Despite the fact that the technical aspect weighs heavily with some of the more performance driven semi-government entities like the Abu Dhabi National Oil Company and the local utility companies, price continues to be a determining factor.

The relatively higher prices of US products and services can be attributed to higher quality and higher transport costs and is also an important factor making Indian, Chinese, Korean, and Japanese suppliers more competitive in this market. European companies are known to offer quality products in certain fields but because of the soaring Euro over the last year, they have been a lesser threat to US exporters

Sales Service/Customer Support

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The commercial and industrial markets are very competitive. For these markets price is also a key purchase factor, but quality, durability, and after-sales service are increasingly becoming dominant determinants for purchases by government and business. The increasing emphasis on after-sales service favors those products backed by local distributors with adequate part stocks and routine maintenance capabilities. The training of qualified maintenance and repair personnel is a critical marketing factor when catering to the more sophisticated end of the market.

Protecting Your Intellectual Property

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In the past few years, the UAE government has shown a strong commitment and became the leader in the region in strengthening Intellectual Property Rights (IPR) enforcement in its ongoing bid to attract regional and international investment and trans-shipment. The UAE is a signatory to the World Trade Organization (WTO) and Paris Convention for the Protection of Industrial Property. The UAE government has passed

new IPR laws and stepped up enforcement actions aimed at reducing or eliminating such practices, and bringing its IPR regime up to international standards. In the area of software, the UAE is considered by industry watchers as having one of the best records on copyright protection in the region. In Trademarks, the law provides that owner of the registration shall enjoy exclusive rights to the use of the trade as registered and can prevent others from using an identical or similar mark. The UAE government has also show commitment in the enforcement of pharmaceutical patent rights. (For more details see Chapter 6 “Investment climate”.)

Due Diligence

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One of the most important issues to US companies contemplating establishing agency relationships in the UAE is their prospective ability to terminate a registered agency. It is very difficult for US firms to terminate their agreements with local companies. To date this has been happened only after the US company has paid considerable amounts of money to buy their way out of an agreement. UAE Law provides the right for local companies to maintain their agencies irrespective of any specific performance criteria that may have been agreed by the parties and the UAE courts have repeatedly affirmed this right. In other words, establishing justified cause for termination of an agreement before the concerned authorities may be impossible, even in cases where the agent has failed to perform. The best protection is serious research and due diligence prior to embarking on an agreement. Further, an agreement should be done only after receiving competent legal advice on how to structure the document. Depending on the agreement, a few of the items that should be specified are the performance measures for the local agent, the length of the contract, and listing of projects covered by the contract.

The US Commercial Service in the UAE can assist companies with performing due diligence through the purchase of an International Company Profile (ICP). The ICP helps U.S. companies evaluate potential business partners by offering a detailed report on U.A.E companies. ICPs provide information related to ownership and management structure, business activities, foreign companies represented, reputation in local market, and a specialist's opinion on the relative strength of a local firm and its reliability.

Local Professional Services

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- [Building Products](#)
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Aircrafts & Parts

Overview

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	2003	2004	2005 (estimated)
Total Market Size	300	1,200	2,300
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	300	1,200	2,300
Imports from the U.S.			

The above statistics are unofficial estimates in millions of US dollars.

Exchange rates used US\$1 = 3.673 Dirhams.

- Note: Re-exports indicated where total imports exceed market size.

The air transport industry in the Middle East is experiencing the fastest rate of expansion in the world. According to a report by the Overseas Exhibition Services Ltd., passenger and cargo traffic is rising at the rate of 10% a year. The total value of aviation-related projects currently underway or imminent in the region has recently been valued at US\$20 billion. Local and regional airlines are expected to spend an additional US\$30 billion over the next en years on expanding their fleets and Dubai's national carrier Emirates, announced in November 24, 2005 a stunning US\$9.7 billion order of 42 Boeing 777's airplanes.

The United Arab Emirates has acknowledged the importance of aviation as a vital artery that links it to the rest of the world. Building on centuries of tradition as a trading post in the path for Africa, South Asia and the Gulf, the modern UAE offers a highly energized business environment coupled with the infrastructure and resources to service the full spectrum of global business needs.

Systematic efforts have been made over the past five years to expand the infrastructure of the aviation sector as both Abu Dhabi and Dubai move towards an era when they function as major hubs for airlines from across the globe. A reflection of the UAE as a modern country can be best seen in the futuristic plans laid out mostly by Abu Dhabi and Dubai for their sophisticated airports.

The growth and transformation of UAE into a major business and tourist hub is also evident by the tremendous increase in passengers, cargo and aircraft movements over the past few years.

According to the Dubai Department of Civil Aviation, traffic movement at Dubai International Airport has scaled new heights in 2004, with a 20 percent growth and 21.7 million passengers using the airport. Passenger movement is expected to continue growing in 2005 and to reach around approximately 25 million. Abu Dhabi International airport handled 5.2 million passengers in 2004, up from 3 million the previous year.

The Dubai-based Emirates Airlines is one of the world's fastest growing international airlines. Emirates operates an all wide-bodied fleet of 83 aircraft to over 75 cities in 54 countries Etihad Airways, the two year old UAE national carrier, currently operates a fleet of 12 leased aircraft and plans to acquire 56 wide-bodied aircraft by 2008.

The most promising sub-sectors within this sector, with the estimated 2005 total market size of each in millions of US dollars:

Best Products/Services

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The most promising sub-sectors within this sector, with the estimated 2005 total market size of each in millions of US dollars:

Aircrafts	1,500
Engines - Aircraft	520

Opportunities

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It is difficult to forecast in this sector, because a single contract by Emirates or Itihad Airways for wide body aircraft can alter the statistical estimates.

Resources

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Major trade fair:

Dubai Air Show November 11-15, 2007 - www.fairs-exhibs.com/airshow05/index
Dubai HeliShow December 5 – 7, 2006 – www.dubaihelishow.com
Abu Dhabi International Defense Exhibition & Conference (IDEX) February 18 – 22, 2007 – www.idexuae.com

E-mail: adel.fehmi@mail.doc.gov for additional information from the U.S. Commercial Service for the UAE.

Oil and Gas-Field Machinery & Services

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	2003	2004	2005 (estimated)
Total Market Size	1,560	1,750	2,500
Total Local Production	0	0	0
Total Exports	90	100	150
Total Imports	1,650	1,850	2,350
Imports from the U.S.	740	833	1,060

The above statistics are unofficial estimates in millions of US dollars

Exchange rates used US\$1= 3.673 Dirhams.

NOTE: Re-exports indicated where total imports exceed market size. All figures are estimates in millions of USD.

The UAE has around 98 billion barrels of proven oil reserves, or about 9.8 percent of total proven world oil reserves, and 5.8 trillion cubic meters of proven natural gas reserves, approximately 4.6 percent of total world proven natural gas reserves. The majority of the oil and gas reserves are located in the emirate of Abu Dhabi, which holds around 95 percent of the UAE's total oil and gas established reserves. UAE oil production capacity is currently at 2.5 million barrels per day (mb/d) and the Abu Dhabi National Oil Company (ADNOC) plans to expand UAE's capacity to 3.0 mb/d by 2008.

Oil continues to form the UAE economy's backbone. ADNOC and its group of 14 companies spent an average of US\$3 billion per year over the last five years and that average is expected to climb to US\$5 billion for the next 3-5 years as major surge in oil & gas production plans are under way. U.S. Suppliers of Oil & Gas field equipment and services command a 45% market share of the UAE's total imports and are known for their advanced technology and superior quality. U.S. Companies are especially in-demand for major engineering jobs and upstream well services.

Best Prospects/Services

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The most promising sub-sectors within this sector, with the estimated 2005 Total Market Size of each:

Major Sub-Sectors	Estimated Market Size
Liquid Natural Gas Equipment	500
Drilling Equipment: Oil and Gas	300
Chemicals	200
Instrumentation	100
Petrochemical Equipment	50
Services: Oil and Gas	1,200

Opportunities

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Oil production averaged about 2.35 million barrels a day (b/d) in 2005, a seven per cent increase over output levels in the previous year. In 2006, indications are that these production levels will be sustained while work starts on expanding capacity. The Abu Dhabi Company for Onshore Operations (ADCO) will increase production to 1.6 mb/d, Adma-Opco to 700,000 b/d and ZADCO to 750,000 b/d during the next five years. As part of the effort to improve and sustain output, the state-run Abu Dhabi National Oil Company (ADNOC) is tendering the privatization of a 28 percent stake in the offshore ZADCO. The Supreme Petroleum Council in 2005 selected Exxon-Mobil for final negotiations for the share of the field.

Abu Dhabi currently produces 2.3 mb/d, making it the wealthiest and most powerful of all seven emirates. Dubai produces approximately 100,000 b/d and Sharjah and Ras al-Khaimah bring in about 10,000 b/d. Ajman and Umm al-Quwain hope to exploit hydrocarbon reserves to become gas producers. Abu Dhabi is expanding production capability beyond OPEC quotas to counter unplanned OPEC quota increases. ADNOC plans to develop downstream capabilities and expand crude oil production capacity. ADNOC has controlling shares in all major oil and gas ventures in the emirate. An estimated US\$5 billion of project work is either at the Front-End Engineering and Design (FEED) stage or about to be tendered to Engineering, Procurement & Construction (EPC) contractors.

In a recent interview, Secretary General of the Supreme Petroleum Council and ADNOC Chief Executive Yousef Omair bin Yousef announced that ADNOC is studying a range of new projects in the upstream gas and the downstream petrochemicals sectors. Rising power generating and petrochemicals capacity had resulted in gas consumption doubling over the past decade and consumption is expected to reach 4,500 million cubic feet a day (cf/d) in 2005. Current gas processing capacity is 5,000 million cf/d and will rise to 7,000 million cf/d in 2008, with the completion of the third phase of the onshore gas development (OGD-3) and phase 2 of the Asab gas development (AGD-2). The EPC on OGD-3 and AGD-2 was recently awarded to Bechtel. Over the next five years, an estimated US\$1Billion a year is planned to be invested in new gas infrastructure, with the lead being taken by Abu Dhabi Gas Industries Company (Gasco).

The integrated gas program, which will produce condensates, liquefied petroleum gas (LPG), natural gas liquids (NGL) and ethane, as well as gas for re-injection, will drive a significant expansion of Abu Dhabi's petrochemicals base and the introduction of new product lines. Among the projects being studied are the expansion of fertilizer capacity,

an aromatics complex based on naphtha reforming at Abu Dhabi Oil Refining Company (Takreer) and a melamine unit, which is planned at Ruwais Fertilizer Industries (Fertil). The most advanced new petrochemical scheme is the expansion of the Abu Dhabi Polymers Company (Borouge) complex at Ruwais. The phase 3 expansion would comprise a 1.4 million-tonne-a-year (t/y) ethane cracker, to feed 540,000 t/y of polyethylene (PE) and two 400,000-t/y polypropylene (PP) units. The expansion will make Borouge one of the most efficient petrochemical companies in the world. Abu Dhabi's Mina Zayed port will also be developed to handle the additional volumes of polymers exports.

Some of the current oil & gas projects in the UAE:

- Abu Dhabi Marine Operating Company (Adma) is in the process of awarding an EPC contract for the offshore Umm Shaif gas re-injection project for an estimated \$950 million. The contract involves the supply and installation of three platforms, sub-sea pipelines and modifications to wellhead towers. The new facilities will have capacity to inject 600 million cubic feet a day of gas into the Arab C and D reservoirs to improve oil reservoir pressure.
- Abu Dhabi Gas Industries Company (Gasco) is in the process of bidding the EPC contract to supply and install a 36-inch-diameter, 50-kilometre-long gas pipeline from Habshan to Bu Hasa for an estimated US\$40 million. The pipeline will transport gas to be made available from the proposed Habshan gas complex expansion.
- GASCO awarded in July a US\$1.2 billion EPC contract for package 3 on the third phase of the onshore gas development (OGD-3) and phase 2 of the Asab gas development (AGD-2) project. The OGD-3/AGD-2 integrated gas recycling program is aimed at significantly enhancing the emirate's position in the liquefied petroleum gas (LPG) market, driving new petrochemical development at Ruwais and addressing falling reservoir pressure in onshore oil fields. This EPC contract will involve the construction of 800 million-cubic-feet-a-day (cf/d) gas treatment and 6,400-tonne-a-day natural gas liquids (NGL) recovery capacity at the existing Asab gas plant. The 38-month contract will also entail the construction of NGL storage facilities and a new flare, the supply and installation of an 82-kilometre NGL export pipeline to Habshan and related civil works.
- GASCO awarded in October a US\$950 million EPC contract for the first-phase expansion of the Habshan gas complex. The contract will involve the installation of a 360 million-cubic-feet-a-day (cf/d) gas processing train to treat non-associated or associated gas and increasing gas injection capacity to 1,525 million cf/d from 1,100 million cf/d. It will also entail the installation of two sulphur recovery units with a total capacity of 1,600 tones a day, acid gas enrichment and gas re-injection, as well as utilities and associated infrastructure and upgrade of the control systems.
- Zakum Development Company (Zadco) has plans to increase production capacity at the Upper Zakum field and processing facilities on Zirku island in Abu Dhabi. The company is currently in the process of conducting a study aimed at

increasing production to 750,000 barrels a day (b/d) from 550,000 b/d. The study will evaluate wellhead platforms, sub-sea pipelines and the four main crude oil processing trains on the island. It will also entail de-bottlenecking of the processing units on Zirku. The four-phase contract will involve: identifying the hazardous operations of the existing oil, gas and water separation facilities and the bottlenecks; proposing modifications to increase output; and carrying out detailed engineering for the proposed project.

- Abu Dhabi Company for Onshore Oil Operations (ADCO) is in the process on completing a conceptual study and master plan for the Sahil, Asab and Shah (SAS) fields development project. The study will include an assessment of the surface production facilities and recommendations for an expansion, taking into account rising water cut and gas lift requirements. Estimated to cost US\$1.5 billion, the scheme is aimed at increasing production capacity from the three onshore oil fields by a total of 60,000 barrels a day (b/d) by 2007/08. The project, which will take about two years to complete, will involve the supply and installation of compressors, pipelines and related facilities.
- Abu Dhabi Oil Refining Company (Takreer) is studying the feasibility of three potential projects. Among the projects being studied is the construction of a Ruwais-based facility with total capacity to produce between 30,000-40,000 barrels a day of sulphur-free gas oil (SFGO). A second study is focusing on raising capacity at the sulphur-handling terminal at Ruwais by 2,000 tonnes a day (t/d) to 8,000 t/d. A third study is examining the option of setting up a world-scale aromatics complex for the production of paraxylene via naphtha reforming. No capacity details have been released at this stage. All three studies are due to be completed by the end of 2005. Takreer is already pressing ahead with four other projects – the construction of facilities for the production of unleaded gasoline and low sulphur gas oil (ULG/LSGO), central environmental protection facilities, an inter-refinery pipeline between Ruwais and Abu Dhabi refineries and Abu Dhabi National Oil Company distribution facilities at Mussafah, and condensate storage tanks at the third onshore gas development (OGD-3) project.
- Abu Dhabi Polymers Company (Borouge) is in the process of bidding the \$2.5 billion phase 3 expansion of the Ruwais petrochemical complex. The proposed phase 3 expansion at Ruwais calls for the construction of a 1.4 million-tone-a-year (t/y) ethane cracker and several downstream units. In addition to a planned 540,000-t/y polyethylene (PE) unit, Borouge is mulling options for two 400,000-t/y polypropylene (PP) units, all using Borstar technology. serve 120,000 industrial, residential and commercial customers.

Resources

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www.adnoc.com (offers links to all ANDOC group sites)

www.datamediasystems.net (subscription service that offers a comprehensive and updated list of projects in the energy and power sectors)

www.uae.gov.ae (will lead you to link to UAE Ministry of Energy)

Pollution Control Equipment

Overview

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	2003	2004	2005 (estimated)
Total Market Size	180	240	320
Total Local Production	0	0	0
Total Exports	9	10	20
Total Imports	189	250	340
Imports from the U.S.	45	60	120

The above statistics are unofficial estimates in millions of US dollars.

Exchange rate US\$1 = 3.671.

- Note: Re-exports indicated where total imports exceed market size

In recent years, the UAE has taken significant steps to protect the environment. These include: the establishment of the Federal Environmental Agency (FEA) in 1993; the creation of the Environmental Agency for Abu Dhabi (EAD) in 1996, the establishment and the full implementation of the UAE Federal Environmental Law 24 of 1999, the adoption of programs by municipalities for better environmental practices, the creation of separate entities by the major industrial institutions for the protection of the environment, the treatment and disposal of solid and medical waste, the treatment of wastewater, and several other initiatives.

Considering the vast commercial and industrial developments and a population increase of approximately 10%, which puts more demand on the countries resources, the UAE is expected to invest several billions of US dollars over the next decade in environmental and pollution control projects. These projects are linked to the oil and gas industries, conservation of water and power generation, waste management, land management and air pollution.

The UAE production of water is approximately 510 million gallons per day of which 80 percent is desalinated seawater. An estimated US\$5 billion will be spent on improving water resources in the coming years because the need for water in general and desalinated water in particular, will triple to 713 million gallons per day by the year 2015.

Nearly all of the wastewater in the Emirate of Abu Dhabi is treated and used to turn large areas of desert into green areas. Almost half of the wastewater in the northern emirates is also treated and used for irrigation. The Emirate of Abu Dhabi is in the process of privatizing the wastewater treatment plants. Treated wastewater is used in fish hatcheries, farms, municipal and commercial sewer systems, as well as industrial toxic waste treatment. The resulting sludge is disinfected and used as a natural fertilizer. Wastewater ozone treatment systems support a wide range of activities, from reduction of biological waste to complete purification and sanitation as required by drinking water

quality standards. Industrial firms vying for ISO accreditation rely on water recycling as an important step forward in their march towards environmental friendliness.

ADNOC and its group of companies are addressing vital environmental issues under their new Health Safety and Environment (HSE) policy and objectives. These include elimination of hydrocarbon flaring, abolition of continuous venting of hydrocarbon disposal, optimization of land use and energy resources, and re-injection of produced water and other effluents. HSE also examines ways to minimize the use of oil-based muds and the disposal of drilling muds and cuttings, so as not to contaminate the environment. It also looks at reducing and controlling solid and other wastes, including treatment and disposal as per international standards. Most importantly, HSE not only plans the clean up of oil and chemical spills, but also works to prevent them.

The UAE generates approximately 561,000 tons per day of solid waste, which includes household, commercial, industrial, animal, agricultural, and medical waste. Abu Dhabi Government is investing US\$84 million in a Solid Waste Management Center, which will be maintained and operated by the private sector. More than 40 percent of UAE municipal solid waste can be recycled and reused. An additional 30 to 40 percent of the waste can be made into compost and used as fertilizer. Currently, there are five compost plants in the UAE. The Abu Dhabi Municipality has contracted two companies for the private collection and transfer of solid waste and will be contracting two more in the near future. The northern emirates also have plans for investing in upgrading and improvement of its solid waste management.

A Royal Decree was recently issued on medical waste from hospitals in Abu Dhabi. The decree calls for a total ban on the disposal of medical waste in containers not designed for this purpose. It stipulates that all health centers should separate their medical waste from other waste material, then dispose of it in specially designed containers supplied by the municipality. Approximately 11 to 13 tons per day of medical waste, including infectious and non-infectious wastes, are generated in the UAE. It is worth mentioning that several new government and private hospitals are in the pipeline.

Air pollution in the UAE is mainly due to power generation and transformation plants, vehicles and industrial emissions. The number of cars in the emirate of Abu Dhabi alone has increased from 40,448 in 1991 to 98,589 in 1995 and it is expected to reach approximately 300,000 by the end of 2005. Based on a resolution by the Higher Council of Leaders of the Gulf Cooperation Council (GCC) issued in December of 1998, the UAE phased out leaded gasoline and replaced it with unleaded gasoline, which came into effect in early 2003. Vehicles that were equipped for unleaded gasoline had two options, either use the unleaded gasoline with special chemicals added to it to make it useable or add catalytic converters to their cars. By 2007 all vehicles in the UAE should either have catalytic converters or be equipped for unleaded gasoline.

The UAE is well known for the construction of building towers. Buildings that are 15-20 years old are knocked down and replaced by new, taller ones. Dust resulting from the demolition of old buildings is enormous. However, the used iron bars are recycled by smelters in order to be re-used while cement fragments are crushed and treated for re-use in landfill operations.

The Federal Environment Agency and the General Secretariat of Municipalities spend millions of dollars annually on environmental feasibility studies, awareness campaigns and development of human resources for carrying out environmental missions.

Article 4 of the UAE Federal Environmental Law #24 mandates that the implementation of any project in the UAE requires an Environmental Impact Assessment (EIA) to ensure that the project does not adversely affect the environment. An application for an environmental permit has to be submitted for any proposed project by the project proponent/owner to the Environment Agency of Abu Dhabi (EAD), which will decide whether the project needs a comprehensive EIA, a limited EIA or no EIA. Once it is decided that an EIA is needed, the project proponent (or his consultant) has to prepare the EIA scope of work. The latter will be reviewed by EAD, which approves the project based on the review of the EIA study report. EAD will also oversee the implementation of the EIA recommendation. A law is currently being drafted for the emirate of Abu Dhabi whereby all EIAs should be carried out by only pre-qualified consultants. EAD has been tasked to pre-qualify environmental consultants.

There is minimal local production for environmental protection equipment and supplies in the UAE. However, water pipes, fertilizers, cement, paper products, nylon bags, valves, and other items are locally produced. US manufacturers and exporters enjoy an excellent reputation for product technology, quality and durability and US market share is expected to increase. US companies face tough competition from the Europeans in the UAE, who generally have offices here and travel frequently to the region. Providing after-sale maintenance services is essential and US companies are advised to establish a presence in the UAE to be able to compete. In general, US companies with a manufacturing presence in the UAE and the GCC are most likely to be able to compete in the UAE market, given the relatively low cost of production. The UAE enjoys a free trade market system. An over-the-board custom duty of five percent applies to all imports with the exception of a few items. There are no restrictions on foreign exchange and money transfer operations.

Best Prospects/Services

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The most promising sub-sectors within this sector, with the estimated 2005 Total Market Size of each in millions of US dollars:

Wastewater	190
Solid Waste	95
Medical waste	25
Air pollution	10

Opportunities

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Dangerous Waste Residues Management Project: Abu Dhabi-based refining company Takreer is undertaking a US\$47 million project for ADNOC and its Group of Companies that involves the effective disposal of waste. The project will manage all the dangerous waste products produced by ADNOC & its Group of companies by utilizing the latest technologies for treatment of hazardous waste in accordance with international

standards. The project consists of establishing a complete hazardous waste treatment facility. A specialized warehouse for all waste treatment is also under consideration. The new operation will rely heavily on stabilizing and neutralizing the negative effects of solid waste through chemical treatment by combining such wastes with cement to produce concrete blocks that can be buried in a safe manner, at varied depths. The second method consists of segregation of water from hazardous residues through a high technology process. The third method is built around burning solid waste in a high temperature furnace, in order to destroy all hazardous organic material present in the waste. This method helps to dispose of hazardous material such as mercury that is in light bulbs.

Emirates of Sharjah Waste Recycling Project: Sharjah Municipality is building an environmental village to recycle waste that will include recycling plants, construction and demolition sites and a materials recovery facility in which waste can be segregated. Most of Sharjah's waste will be dealt with at the site. Construction started in May and is expected to be finished in the coming year. Some more specialized units at the site will focus on tire recycling and medical-waste treatment with high-temperature sterilization equipment. Meanwhile, liquid waste treatment ponds will allow for the recovery and processing of sewage sludge so it can be used as compost. A leachate collection plant will send water through waste material to take out some of its soluble parts. There will also be two evaporation ponds for the treatment of hazardous industrial waste; deep tanks built with a design that removes any risk of contaminating the ground water; and two liquid-waste evaporation ponds. Waste specialists from Austria, under a company named Emirates Environment Technology, are building the village.

Ras Al Khaimah Central Sewage System Project: A US\$35.4 million contract for the first phase of the US\$ 81.7 million central sewage system has been awarded to Jog Union Engineering LLC by the Ras Al Khaimas Sewage Authority on behalf of the emirates government. Negotiations for the second and third phase are ongoing. Halcrow is the consultant for the project. The full capacity of the plant will be 60 million litres per day. This is the highest quantum of waste that this emirate is estimated to generate by 2030. The new central sewage system will be financed by a loan taken by the emirate's government from the Commercial International Bank. Sources at the emirate's Emiri Court said residents will be charged one-fourth the cost of their water consumption as sewage fees, and that fee will be automatically added to the monthly water and electricity bills. Once the laying of the 450-km sewage pipelines of the first phase is completed, the owners of houses and commercial firms will be required to pay connection fees that will be fixed later by the Sewage Authority.

Refuse Enclosure for the Umm Al Quwain Emirate: The Emirate of Umm al-Qaiwain has signed a contract with a private company to build a garbage disposal enclosure of an international standard at a cost of US\$1.4 million. The project will be built on a 400m x 600m area.

Ajman's Sewerage Project: The emirate of Ajman is constructing a US\$140.2 million sewerage treatment plant to be completed in 2007. The project is regarded as one of the biggest ventures ever undertaken in Ajman. It will eventually comprise of a main treatment plant on the outskirts of the city, and 22 individual and mostly underground pumping stations, apart from 250 km pipeline network to connect properties to the system. Each property owner in Ajman is required to contribute to the construction of the network through payment of a connection fee, which will depend on the size of the

individual property. Ajman Sewerage (Pvt) Co. Ltd. will finance, build, operate and manage the new collection network comprising over 22 pumping stations, 225 km of gravity pipeline and 30 km of pumping mains. The system also includes a new 49,000cm a day wastewater treatment plant. Total cost of the project is US\$140 million of which about US\$26 million will be covered by equity, US\$80 million by a loan from a group of four banks and the balance by advance payments of connection fees.

Jebel Ali Sewage Treatment Plant: Dubai Municipality is planning a US\$136 million project to expand its sewerage treatment capacity through a new grassroots treatment plant at Jebel Ali, along with a proposed expansion of the existing Al-Aweer plant. The scope of work for Phase I will include a capacity of about 250,000cm a day (cm/d). Three further phases are planned at the site, which will take overall capacity to 1 million cm/d. Montgomery Watson has been appointed as the consultant for the Jebel Ali plant. First-phase designs are expected to be completed late this year, after which tenders will be issued. Construction is scheduled to take three-four years. Dubai's existing treatment plant at Al-Aweer may also be expanded. Montgomery Watson is carrying out a feasibility study focusing on expanding the plant and improving its efficiency. The plant was last expanded in 1998, with capacity increasing to 260,000 cm/d.

Abu Dhabi Solid Waste Management Project: The Higher Corporation for Special Economic Zones is planning the implementation of a solid waste management project estimated at US\$81.8 million in joint venture with foreign firms. The project will be based in the Abu Dhabi Industrial City. Globex City Consultant completed the initial project design.

Dubai Waste Recycling Plant: Dubai Municipality signed a 52 million 20-year BOT agreement with Aqua Engineering Company in Q3 2004 for the construction of a new plant with capacity for processing 4,000 tones a day of domestic waste; recycle waste to reuse it as raw material to manufacture goods such as plastic balls and wooden boards. There is also an option to double capacity after initial construction. The project is expected to be completed in 2006.

Sharjah Wastewater Treatment Phase 6 Project: The Project is estimated at US\$25.9 million and it includes the installation of a new treatment unit, demolition of certain facilities built under the first phase, relocation of a pipe rack, new inlet works, construction of a pumping station and a substation. This project will increase the plant capacity to 140,000cm.

Ras Al Khaimah Solid Waste Management Project: Ras Al Khaimah Municipality solid waste management project is being implemented by Ceres Inc of California. The project includes design, installation, and commissioning of a recycling center and material recovery facility.

Nakheel Water Treatment Plant: Istithmar, the investment company of Nakheel has signed a contract with Hyflux for the construction of new water treatment plants in Dubai worth US\$400m. The work scope includes construction and operation of wastewater plants. Hyflux will design, build and operate wastewater plants for Nakheel over the next three years.

Resources

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<http://www.ee-uae.com/> (Environment Exhibition and Conference – one of the biggest shows in the region)

<http://www.fed.gov.ae/> (UAE Federal Environmental Agency)

<http://www.erwda.gov.ae/> (Environmental Research and Wildlife Agency)

<http://www.adm.gov.ae/> (Abu Dhabi Municipality)

<http://www.dm.gov.ae/main.html> (Dubai Municipality)

<http://www.shjmun.gov.ae/> (Sharjah Municipality)

<http://www.rakmunicipality/> (Ras Al Khaimah Municipality)

<http://www.datamediasystems.net/> (Data base for updated list of projects in the UAE)

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Medical Equipment

Overview

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	2003	2004	2005 Estimated
Total Market Size	328	361	415
Total Local Production	25	27	32
Total Exports	2	2	3
Total Imports	305	336	386
Total Imports from the US	87	108	125

The above statistics are unofficial estimates in millions of US dollars.

Exchange rate US\$1 = 3.671

Note: Re-exports indicated where total imports exceed market size.

The UAE has seen remarkable progress in health care and comprehensive health programs have been adopted to meet the needs of the UAE society. The UAE has a comprehensive, government-funded health service and a developing private health sector. Health care infrastructure has kept pace with other health care developments to ensure that adequate services are provided in the emirates. Both the Government and private sector expansion and upgrading are ongoing. The average annual growth during the next three years is estimated at 15 percent, due to the expansion in the number of hospitals and an increase in private health care facilities.

The UAE, which in 1979 had only 7 hospitals, currently has 68 hospitals with a total of 8,343 beds and well over 110 well-equipped modern primary health centers and 12 Mother & Child Health Care Centers. The MOH runs 15 hospitals with 2100 beds and 76 PHCs, GAHS runs 12 hospitals with 1805 beds and 46 PHCs, DOMS runs four hospitals with 1524 beds and 20 PHCs. The Department of Defense runs three hospitals

and Abu Dhabi National Oil Company (ADNOC) runs one hospital with 36 beds. The private sector owns 31 hospitals with a total of 1461 beds. This is notwithstanding the two Iranian and maternity hospitals in Dubai and Fujairah. According to the MOH, in the UAE there are 1281 private clinics, 200 of which are dental clinics.

In 2001, The General Authority for Health Services (GAHS) was established by a royal decree with a mandate to manage all the Ministry of Health hospitals and PHCs within the Emirate of Abu Dhabi. The aim of the GAHS is to upgrade and operate all of the Emirate of Abu Dhabi hospitals according to accredited international standards. It is said that GAHS has an open budget for 2005, which could exceed US\$800 million, of which a major portion is spent on building new hospitals and upgrading current hospitals. Currently GAHS operates 12 hospitals with a total of 1805 beds, with on going expansion efforts to increase the number of beds to 2500 beds. GAHS also operates 46 PHCs.

The Ministry of Health (MOH), whose budget for 2005 was cut to \$230 million after the creation of GAHS, has federal responsibilities over the healthcare services in the UAE including managing the Northern Emirates healthcare system, excluding Dubai Emirate. Approximately five percent of the MOH budget is spent on medical machines, tools, and supplies. Currently MOH operates 13 hospitals with 2100 beds and 61 PHCs distributed throughout the Northern Emirates.

Dubai Department of Healthcare and Medical Services (DOHMS) was established in 1972 by the Ruler of Dubai to provide healthcare services in the Emirate of Dubai. DOHMS manages four hospitals, with 1504 beds and 20 PHCs & peripheral clinics distributed throughout the Emirate of Dubai.

On November 5, 2002, Dubai launched the Dubai Healthcare City (DHC) project. This new project will create a global healthcare center in Dubai. The total cost of this project is estimated at US\$1.8 billion and is expected to be completed and fully operational by 2010. DHC will include medical education and a research center, specifically addressing postgraduate schools and on the job education and clinical research. It will include a leading and innovative business center leveraging the integration of technology and healthcare services (e.g. Tele-Health, E-enabled services). The DHC project consists of three medical clusters: 1) The University Medical Complex which includes a University Hospital, a Medical School, a Nursing School, and a Life Sciences Research Center; 2) The Medical Cluster which includes Day Clinics, a Specialized Diagnostic Laboratory, and a Rehabilitation Center; and 3) The Wellness Cluster which includes, Check up Clinics and Sports Medicine. Phase I of the project has been completed and sold out. Ninety per cent of the planning for phase II, which is four times more than phase I, is completed and investment opportunities in this phase will be put on offer shortly. Total investments in phase I and phase II has been projected at US\$2.9 billion.

In 2004, the UAE market for medical equipment and supplies was estimated at US\$361 million, with US imports accounting for 28.5 percent of the total. With the recent increase in the Euro exchange rate, the demand for US medical equipment in the local market has increased noticeably. Major US imports are diagnostic, therapeutic and patient monitoring equipment, which are perceived to be high technology and state of the art. US medical equipment and supplies as well as healthcare technology and services are considered to be highly reliable and are preferred. The US commands a major market share with regard to imaging and monitoring equipment, ventilators, and

life support and operating theater equipment. Local production accounts for only 7.5 percent of the market for medical equipment and supplies. Only two percent of imports and locally produced medical supplies are re-exported. Aside from the US, the UAE imports medical equipment and pharmaceuticals from France, Germany, Italy, UK, Italy, Sweden, and Japan. Companies exporting medical equipment to the UAE are required to have a local agent registered with the MOH. Medical equipment carries a five percent import duty.

Best Prospects/Services

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The most promising sub-sectors within the healthcare sector, with the estimated 2004 Total Market Size of each in millions of US dollars:

Diagnostic equipment	73
Therapy & Rehabilitation equipment	64
Disposables	56
Monitoring Equipment	50
Medical Aids	33
Surgical	22
Other	63

Opportunities

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The following is an indicative, but not a comprehensive list, of opportunities available in the UAE in the healthcare sector:

The Abu Dhabi Government will be developing the Abu Al Shuoom island, located northeast of the capital, into a city with a raft of facilities including hospitals, schools and hotels. Malaysia's PPM International, Al Rayyan Investment Co, and National Real Estate Investment Co will be involved in the Project, which is estimated at US\$100 million.

The International Golden Group will be investing in a US\$27 million Ozone Center in Abu Dhabi to promote Medical Tourism in the UAE. Land has been allocated and project to be tendered soon.

The General Authority for Health Services will be implementing a US\$20 million fully integrated hospital information system for all of its hospitals and clinics.

The Ministry of Health has approved eight healthcare projects for the Emirate of Fujairah in the 2005 budget. The projects include medical clinics and centers, and providing hospitals with proper equipment and staff.

Mubadalla Development will open a new Diabetes Center soon in cooperation with the Imperial College Research Center. The Center will have several clinics that deal with diabetic patients and an awareness center for prevention/control of diabetes.

The Ministry of Public Works has recently put up for tender five hospital construction projects. The projects are for a 180-bed maternity and pediatric hospital in Sharjah, a

150-bed psychiatric hospital in Dubai, a general hospital in each of Umm Al Quwain and Ras Al Khaimah and a hospital in Masfoot in Ajman.

The Ministry of Health will be installing in the coming year sophisticated emergency medical and resuscitation equipment worth Dh30 million at all primary healthcare centers located in rural and far-flung areas of the country in the.

A new 300-bed private hospital is planned for Al Barsha area. The construction cost of the project, owned by the Saudi German Hospitals Group, is estimated at around US\$100 million. The project will be built on a 91,973 square meter plot of land, with the total area of the hospital building to come to 39,016 square feet.

The General Authority for Health Services (GAHS) has plans to revamp all of its 46 existing Primary Healthcare Centers (PHCs) in the Emirate of Abu Dhabi. The plan includes setting up of new additional centers that will provide a complete one-stop healthcare for Abu Dhabi residents both the nationals and expatriates. GAHS will adopt the concept of the Family Medicine Model of Care, focusing on preventive, health promotive, and curative, which is community based and caters to the needs of the whole family from newborn to elderly. As the first step, some of the existing centers will be renovated and upgraded while some will be replaced with new buildings. The GAHS will also build 10 state-of-the-art centers of different categories with facilities including a specialty clinic, laboratory, pharmacy, X-ray, ultrasound, dental clinic, woman and child health services etc.

The General Authority for Health Services has plans to interlink the hospitals and the Primary Healthcare Centers in the Emirate of Abu Dhabi with an electronic network system that will facilitate sharing of information on treatment, medication, consultation and referral.

The General Authority for Health Services will introduce a health insurance plan for residents in Abu Dhabi. The plans will be completed in the next few months and will be ready to be introduced in the first quarter of 2005. Part of these plans is the establishment of a body that will issue health-insurance policies to the national and expatriate community in the Emirate of Abu Dhabi. This insurance is different from that introduced by the Ministry of Health because it covers only residents of the Abu Dhabi Emirate. Under this plan, residents whether expatriates or nationals may obtain treatment in any hospital of their choice.

The New Medical Center Group is establishing a new hospital at Qusais, which will provide advanced cardiovascular facilities in the region. The hospital will be equipped with some of the most advanced diagnostic cardiac imaging, monitoring and therapeutic technologies available.

The Dubai Department of Health and Medical Services (Dohms) approved the Electronic X-ray and Medical Imaging project for all Dohms medical centers and hospitals and directed the replacement of all existing equipment with digital equipment for the purpose of linking all Dohms x-ray equipment electronically.

The Government of Fujairah is planning to invest in its famous Al Ghamoor sulphur water spring, turning it into a health center and a tourist destination. The spring has been attracting visitors from the UAE and the Gulf States as well as other countries for

decades. The spring is targeted by patients who are convinced of the water's curative effects on different diseases including joints and back pains, skin diseases and rheumatism. An optimal health center included different units for physiotherapies will be established to provide integrated health services to visitors of Al Ghamoor spring.

Resources

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www.moh.gov.ae

www.dohms.gov.ae

General Authority for Health Services (no website)

www.arabhealthonline.com

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Architecture/Construction/Engineering

Overview

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	2003	2004	2005 (estimated)
Total Market Size	292	322	369
Total Sales by local firms	70	72	77
Total Sales by foreign firms	222	250	292
Total Sales by US owned firms	60	75	90

The above statistics are unofficial estimates in millions of US dollars.
Exchange rates used US\$1= 3.673 Dirhams.

The recent UAE economic boom was a result of high oil prices that led to increasing UAE energy revenue in 2003. Other contributing factors included the population increase; the rise in re-exports through Dubai and UAE ports, heavy capital spending by federal and local government and a major growth in private sector investments in the UAE real estate and tourism industries.

In 2004, the UAE Architectural, construction, engineering services (ACE) industry experienced an overall increase of 10 percent over the previous year. This growth was stimulated primarily by direct investment in oil & gas, commercial and residential real estate and infrastructure projects including power and water utilities.

New investments in the construction and tourism sectors of over US\$50 billion will insure that building activity will offer a wide range of opportunities in the Architectural, Construction, Engineering services.

Dubai is currently expanding its hotel capacity. Over 120 new hotels are expected to be constructed during the next five years. These include 80 hotels on the two Palm Islands projects. Additionally, Dubai Festival City is under construction as Dubai develops its role as a tourist destination.

All major projects require international construction project management firms to supervise work execution; US companies enjoy an excellent reputation for such services. There are no regulatory /demand issues affecting the market for ACE services.

Best Prospects/Services

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The most promising sub-sectors within this sector, with the estimated 2005 total market size of each in millions of US dollars:

Petrochemical Engineering Services	106
Civil engineering services	97
Hotel A/C/E/services	26
Airport & port development	23

Opportunities

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During the first quarter of 2003, Dubai became known as the construction capital in the Gulf and the position is likely to remain unchallenged during the next three years. Local and international contractors are preparing to submit bids for over ten major projects worth over US\$5 billion before the end of 2005. Proposed projects, during the next 5 years, will cover residential, commercial and government projects and include: expansion of Dubai and Abu Dhabi International Airports (US\$6 billion), Dubailand (US\$5 billion), three Palm Islands (US\$3 billion), Dubai Festival City (US\$1.8 billion), Dubai Port Expansion programs (US\$1.3 billion), Jumeirah Beach Residence (US\$1.4 billion), Dubai Healthcare City (US\$1.8 billion) and Emaar Development Properties (US\$7 billion).

Resources

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Dubai Municipality - www.dm.gov.ae
Department of Economic Development - www.dubaided.gov.ae
UAE Contractor's Association - www.uaecontractors.com
Dubai Customs - www.dxbcustoms.gov.ae
Dubai Chamber of Commerce - www.dcci.ae

Major trade fair:

Cityscape – December 04 - 06, 2006 - www.cityscape-online.com

To be held in Dubai, U.A.E.

E-mail: adel.fehmi@mail.doc.gov for additional information from the U.S. Commercial Service for the UAE.

Computers / Peripherals

Overview

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	2003	2004	2005 (estimated)
Total Market Size	486	635	692
Total Local Production	0	0	0
Total Exports	389	413	461
Total Imports	874	1048	1153
Imports from the U.S.	101	116	130

The above statistics are unofficial estimates in millions of US dollars.

Exchange rate US\$1 = 3.673 dirhams.

Note: Re-exports indicated where total imports exceed market size.

Private and public sector entities try to keep pace with current technology and communication methods by using computer equipment in-line with what the current market offers. Computers of US origin are seen as attractive buys for those wanting quality products, as the margin of pricing is negligible when compared to a locally assembled machine. US manufacturers are looked upon as market leaders and will maintain their edge to the extent that they continue to be able to introduce state-of-the-art technology and products at competitive prices. A factor that has grown this market is the e-enablement of local government offices. The sole local ISP has also been trying to increase the number of users for internet access. Growing awareness of the value of accessing the internet has augmented the home PC market, which is expected to further increase. Local governments are placing great emphasis on Information Technology (IT) being made available in public schools. Computer assembly plants in the Jebel Al Free Zone (JAFZA) assemble Acer and Supra brands. Such products, when brought into the UAE from JAFZA are considered imports.

The estimated recorded market share of 18% in 2004 for US computer imports into the UAE does not reflect the true picture, as US computer branded products are also imported from factories located outside of the US. HP is considering setting up a manufacturing unit in the UAE. Major competitors are the UK, Netherlands, Japan, Taiwan and China. There are no import restrictions for the computer industry. Effective January 1, 2003, customs duty became five percent. US companies need to obtain USG approval before exporting certain high-end sophisticated computer equipment to the UAE.

Best Products/Services

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The most promising sub-sectors within this sector, with the estimated 2005 total market size of each in millions of US dollars:

Personal Computers	75
PC Notebooks	69
Networking Solutions	64
Computer Monitors	52
Multimedia Products/Upgrades	47
Modems	29
File Servers	26
Client Server Systems	23

Opportunities

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The UAE Federal government has approved a second telecommunications company to offer services in the UAE. This is expected to begin operating by mid-2006. The late President, His Highness Sheikh Zayed bin Sultan Al Nahyan, made the initial announcement, providing for a second telecommunication company to operate in the UAE in April 2004 via Federal Decree No.3. This decree abrogated the exclusive operation of the telecommunication sector by Etisalat, the sole service provider for the UAE.

Aside from the fact that a new entrant in the market would need to buy equipment, it is hoped that competitive pricing in the telecommunication sector will drive the need for computer related products even higher.

Resources

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Emirates Telecommunication Corporation (Etisalat) – <http://etisalat.ae>
(The organization that pre-approves hardware/software that is used in-country for all telecommunication service.)

Comtrust – <http://www.comtrust.ae>
(Comtrust, the Digital certificate provider, which is part of eCompany, a fully owned subsidiary of Etisalat)

The Institute of Electrical & Electronics Engineers – <http://www.emirates.org/ieee/>
(Computer Society, UAE Chapter)

Major trade fair:

GITEX - November 18-22, 2006 - www.gitex.com
To be held in Dubai, U.A.E.

E-mail: anne.desouza@mail.doc.gov for additional information from the U.S. Commercial Service for the UAE.

Safety & Security Equipment

Overview

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	2002	2003	2004 (estimated)
Total Market Size	285	327	362
Total Local Production	0	0	0
Total Exports*	8	9	11
Total Imports	293	336	351
Total Imports from US	32	37	41

The above statistics are unofficial estimates in millions of dollars.
Exchange rates used US\$1 = 3.673 Dirhams.

The UAE market offers excellent opportunities for US security systems and equipment firms, with the Ministry of Defense and the Ministry of Interior (including the Civil Defense Department, Border Guard and Coast Guard) as the main consumers. Dubai Airport is one of the busiest in the world and as a world-class facility in the post-9/11 era, airport security is a top priority for the airport authority. Dubai's bustling ports are also interested in increased security, particularly as the Dubai Port Authority, which includes Dubai Customs, proceeds with the US Customs' Container Security Initiative.

The municipal police departments of Abu Dhabi and Dubai each have approximately 15,000 police officers, with Special Operations Commands and SWAT teams. The UAE is aware of the fast pace of improvements in security and police equipment and technologies worldwide and they wish to make the best use of the latest technologies. All agencies involved in security or law enforcement want the best tools available to do their jobs and are well funded for quality equipment.

The UAE's coastline stretches for 1300 km and the UAE has numerous islands especially in the Emirate of Abu Dhabi. Like many prosperous nations located near less-prosperous nations, the UAE struggles to combat the smuggling of illegal aliens along its coastline. Coastal surveillance systems are generating significant interest for that purpose as well as for the security of the UAE's numerous offshore oil platforms. With new and modern marinas being established in the numerous beach resorts, luxury boat ownership has also been on the rise, offering very good opportunities for all types of marine security systems, including boat-locating systems, GPS navigation systems, collision avoidance systems, and low-light or night-vision devices.

Security officials are continuously developing new plans to improve security around sensitive areas and installations, as well as to protect prominent government officials. These plans usually require identification and access control equipment, perimeter security, monitoring and control devices, video monitors, CCTV cameras, warning and signaling devices, personal protection devices and accessories, armored and emergency response vehicles, and checking, searching and investigation equipment, including x-ray inspection equipment.

There is a fast-growing awareness about the need for up-to-date commercial and personal security and safety systems, combined with a surge in infrastructure development in both the public and private sectors. The increase in visitors, including those for global meetings, keen interest in the latest technological developments, and

the UAE government's concern for the security of their residents all combine to add momentum to the expected growth in this sector over the next few years. Many UAE residents are now taking steps to better secure their homes and business establishments. This will also add to the substantial market growth expected over the next several years. Industry sources have reported 10-15% growth in the Security and Safety sector over the last two years and expect that this growth will continue.

There are no real barriers for the import of security equipment into the country; however, the import of certain weapons and the installation of communications intercept and surveillance systems require prior permission from the Ministry of Interior. In addition, most crime control equipment requires US Department of Commerce or US Department of State export licenses for export from the US to the UAE. The US Commercial Service in Abu Dhabi has its own export control officer to advise US companies.

US safety and security systems and equipment enjoy a very good reputation in the UAE market, especially security consulting services and supply of advanced high-tech equipment. The market has become very competitive in the last year, however, with European companies making inroads in the US market share. US companies should be aware that the culture in the UAE rewards frequent and ongoing business and social contacts between supplier and customer.

In most cases, US security and safety firms will not deal directly with the agencies for the purchase of equipment. It is standard practice here for these agencies to issue tenders and seek bids from commercial companies to acquire products for resale to the government agencies. It is imperative that US firms be careful in selecting a local company to maximize opportunities to approach government ministries and equally imperative to be sensitive to the relationship the local firm has with the government agencies. Failure to perform or delayed performance can result in heavy fines and blacklisting for the local firms and this can have an adverse impact on opportunities for US firms.

Best Products/Services

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The most promising sub-sectors within the security and safety sector are listed below:

- Security Consulting Services
- Police Equipment
- Surveillance Equipment
- Airport Security
- Border Security
- Marine security

Opportunities

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Information regarding upcoming "security-related" projects is difficult to obtain, because

the UAE government does not release information regarding the scope or dollar value of its security projects. The US Commercial Service offices in both Abu Dhabi and Dubai are well connected to potential customers in the UAE and can provide substantial information to US companies interested in the market here. Marketing of security and safety services and products in the UAE is an area where the Gold Key service is especially productive

Resources

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Major trade fairs:

1. The International Commercial Security, Fire and Safety Exhibition and Conference (INTERSEC – <http://www.intersecexpo.com/>) is held annually in Dubai.
2. Sharjah will host MEPOL in September 2006 at the Sharjah Expo Centre. MEPOL (<http://www.middleeastpolice.com/>) will be supported by the US Department of Commerce and will specialize in safety and security products used by internal state security police, military, customs, civil defense, airports, and seaports.
3. Abu Dhabi will host Security and Safety Middle East (<http://www.securityandsafety-me.com/>), a U.S. Department of Commerce certified trade show, in October 2005.

Air Conditioning & Refrigeration Equipment

Overview

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	2003	2004	2005 (estimated)
Total Market Size	342	364	393
Total Local Production	40	44	50
Total Exports	72	74	77
Total Imports	374	394	420
Imports from the U.S.	78	82	89

The above statistics are unofficial estimates in millions of US dollars.

Exchange rates used US\$1 = 3.673 Dirhams.

- Note: Re-exports indicated where total imports exceed market size.

The combination of extensive construction activity, high population growth and harsh climatic conditions make the United Arab Emirates (UAE) an excellent market for air-conditioning and refrigeration equipment. The current market trend is changing toward building new high-rise buildings and large scale luxury hotels and residential apartments.

There are currently several new institutional development projects under construction. These new projects will generate a higher demand for air-conditioning systems in the UAE.

The market demand for complex centrally packaged, air-cooled water chillers is constantly growing. The growth in size of the UAE air-conditioning industry has resulted in the establishment of major local manufacturers of central air-conditioning equipment.

The UAE market is very receptive to US central air conditioning equipment, because of their reputation for high quality, safety, brand recognition, and low maintenance requirements. The vast real estate growth foreseen in the UAE in general and in Dubai in particular indicates further growth of demand on cooling systems.

Best Products/Services

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The most promising sub-sectors within this sector, with the estimated 2005 total market size of each in millions of US dollars:

Central Air Conditioning	135
Mini Split Air Conditioning	48
Window Air Conditioning	67
Cold Storage Equipment	62
District Cooling	40

Opportunities

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The market demand for air-conditioning equipment in the U.A.E. is dependent on the construction industry. During the first quarter of 2003, Dubai became known as the construction capital of the Gulf with its new position likely to remain unchallenged for at least the next three years. It is estimated that over US \$ 30 billion will be invested in the UAE, by the government and private sector, in the construction industry during the next three to five years. Market sources reported that the current boom in the construction sector is a direct result of 1) high return on investment and 2.) Government of Dubai's new initiative for allowing non-UAE citizens to purchase freehold properties in Dubai. These two factors provided a major boost to the property development industry that began in 2003.

Resources

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Major trade fair:

BIG 5 – October 28 - November 01, 2006 - www.dmgdubai.com

To be held in Dubai, U.A.E.

E-mail: adel.fehmi@mail.doc.gov for additional information from the U.S. Commercial Service for the UAE.

Building Products

Overview

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	2003	2004	2005 (estimated)
Total Market Size	1025	1230	1498
Total Local Production	84	92	96
Total Exports	148	151	154
Total Imports	1089	1289	1556
Imports from the U.S.	48	55	68

The above statistics are unofficial estimates in millions of US dollars.

Exchange rates used US\$1 = 3.673 Dirhams.

Note: Re-exports indicated where total imports exceed market size.

The construction industry is one of the most active sectors of the UAE economy. The UAE government will spend over US\$50 billion dollars over the next five years for the construction of new infrastructure projects and government, commercial and residential buildings. The construction and tourism industries are the two major sectors of the local economy that will continue to generate a high demand for building products.

The market demand for building products is influenced largely by the level of construction activity in the country. It is expected to grow rapidly as new construction tenders are floated by public and private sectors. Projects include construction of new high-rise commercial/residential buildings, houses, hotels, beach resorts, hospitals, schools, roads, public parks, shopping malls, and a major airports expansion.

The UAE building products industry continues to offer good export opportunities to U.S. suppliers. Local importers and distributors of building products indicated that U.S. manufacturers/suppliers have an excellent reputation for supplying quality-engineered products and foresee an increase in the U.S. market share. The primary reason for this expected growth is due to the satisfaction among end-users with the quality of U.S. building products.

Best Products/Services

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The most promising sub-sectors within this sector, with the estimated 2005 total market size of each in millions of US dollars:

Steel and Iron Bars	749
Wood & Wood Products	224
Hardware Products	142
Ceramic Products	75
Plumbing Products	52

Opportunities[Return to top](#)

During the first quarter of 2003, Dubai became known as the construction capital in the Gulf and the position is likely to remain unchallenged during the next three. Proposed projects, during the next five years, will cover residential, commercial and government projects and include: expansion of Dubai and Abu Dhabi International Airports (US\$6 billion), three Palm Islands (US\$3 billion), Dubai Festival City (US\$1.8 billion), Dubai Port Expansion programs (US\$1.3 billion), Jumeirah Beach Residence (US\$1.4 billion), Dubai Healthcare City (US\$1.8 billion) and Emaar Development Properties (US\$7 billion).

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Dubai Municipality - www.dm.gov.ae

Department of Economic Development - www.dubaied.gov.ae

UAE Contractor's Association - www.uaecontractors.com

Dubai Customs - www.dxbcustoms.gov.ae

Dubai Chamber of Commerce - www.dcci.ae

Major trade fair:

BIG 5 – October 28 - November 01, 2006 - www.dmgdubai.com

To be held in Dubai, U.A.E.

E-mail: adel.fehmi@mail.doc.gov for additional information from the U.S. Commercial Service for the UAE.

Sporting Equipment/Recreational Equipments[Return to top](#)

	2003	2004	2005 (estimated)
Total Market Size	89	127	145
Total Local Production	0	0	0
Total Exports	39	53	62
Total Imports	128	180	207
Imports from the U.S.	20	23	26

The above statistics are unofficial estimates in millions of US dollars.

Exchange rate US\$1 = 3.673 dirhams.

- Note: Re-exports indicated where total imports exceed market size.

With a per capita income of over US\$20,000 the UAE presents a very attractive market for the leisure/recreational industry. The large resident expatriate population (80% of total population) has a significant influence on the demand for sporting goods.

All five international airports in the UAE have registered a growth in both passenger and cargo movement. Total passengers using Dubai International Airport alone is 21.7 million persons for 2004. The country also hosts numerous overland visitors from neighboring countries.

As the UAE wants to be known as a favored travel destination whether for business or pleasure in mid 2001 the UAE changed its visa entry policy allowing nationals of 33 countries to receive a visa upon arrival at no cost for a maximum stay of 30 days. An additional 30 days can be applied for while in country. Visas for stays longer than two months must be applied for from overseas.

Today, both government and private companies have begun putting infrastructure in place to turn the UAE into a viable travel destination by building and operating theme parks, indoor family entertainment centers, edutainment centers, hotels, etc.

Opportunities for further development and expansion exist especially for theme park equipment. All equipment supplied to this booming sector is supplied with imported equipment. Actual value figures for recreational equipment are not reflected below as local statistics capture this category within "construction activities".

Innovative new products and increased promotional activity characterize this highly competitive market. Major competitors are Germany, China, Japan and the U.K. Effective January 1, 2003, customs duty became five percent.

The most promising sub-sectors within this sector, with the estimated 2005 total market size of each in millions of US dollars:

Best Products/Services

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The most promising sub-sectors within this sector, with the estimated 2005 total market size of each in millions of US dollars:

Amusement Park/Outdoor Playground Equipment	32
Fitness Equipment	29
Video Games	15
Racquet Sports and Accessories	6
Golf Equipment	4
Soft Playgrounds	3
Fishing Equipment	3
Playing Cards	1
Hunting/Shooting Equipment	1

Opportunities

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There are a number of major projects within the leisure industry in varied stages – from mere announcements with tenders yet to be announced to projects that are under development. The leisure construction industry is phenomenal. There are tremendous opportunities for the U.S. within this industry. The UAE has an approximate value of US\$823 billion for development projects in the pipeline.

Local companies are constantly looking for U.S. companies that manufacture equipment for spas, jacuzzis and swimming pools. A number of companies have begun to offer spa therapy in a big way and Dubai is seeking to become the center for health and wellness for this region. Another factor that should be considered is the ability for foreigners (including the expatriate workforce which comprise 80% of the 4.5 million population inside of the U.A.E.) to be able to become homeowners in this country. All these individuals will be given residence visas for themselves and their immediate families.

Fitness centers have also mushroomed in the country over the past decade, as residents become educated towards a healthier way of living. Homeowners are now looking at the U.A.E. as a country not only to live and work in but to retire in as well. Undoubtedly, there are excellent prospects in the U.A.E. for U.S. franchisors who offer fitness programs.

Currently being constructed, Dubai Sports City is expected to be completed by 2007 and will be the world's first integrated purpose designed venue. The US\$2 billion city will host the first Manchester United soccer school outside Europe, will have a golf course designed by South African Ernie Els, a David Lloyd tennis school and a Butch Harmon golf academy, the first outside North America.

Dubai is interested and will be bidding to become the destination for the Asian Games 17th Asian Games to be held in 2014 and the World Olympic Games in 2020.

Resources

Ministry of Health – http://www.buyusa.gov/uae/en/uae_federal_government.html
(Prior approval for some types of nutrients needs to be got from the U.A.E. Ministry of Health before sale within the country.)

Dubai Sports City (DSC) – <http://www.dubaisportscity.ae>

Major trade fair:

None of any consequence.

E-mail: anne.desouza@mail.doc.gov for additional information from the U.S. Commercial Service for the UAE.

Agricultural Sectors

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US horse shipments to the UAE are still among the most valuable US agricultural exports. With just a very few families truly involved in this business led by the Al Maktoum of Dubai, followed by Al Nahyan family in Abu Dhabi, and UAE-owned farms in the US involved in horse trading, training and racing, this market sub-sector is narrowly focused, a different type of market.

Other best prospects for US agricultural exports are as follows:

1. Almonds

US shelled almonds are the market leader and are recognized for their incomparable quality. Nearly half of the almonds the UAE imports are, in turn, re-exported with India and other GCC states the primary end-markets for this product. With Indian import policies being liberalized, over time, there is likely to be a dampening effect on Dubai's re-export business. Iran accounts for most of the rest of the supply to the UAE almond market.

	2003	2004	2005
Total Market Size*	8,300	9,000	9,200
Total Local Production	0	0	0
Total Exports	7,000	7,000	7,300
Total Imports	15,300	16,000	16,500
Total Imports from the US	11,000	11,600	7,600

* Note: All statistics are in metric tons

Source: ATO-Dubai estimates

2. Corn oil (FOD)

Corn oil is the preferred cooking oil in the Gulf region, and the U.S. is, hands down, the largest supplier. Consumption of corn oil, and consequently imports from the U.S., is increasing steadily as the locally packed oil is competitively priced. Singapore, Saudi Arabia and Oman, frequently using repackaged U.S. corn oil, are other principal competitor suppliers of corn oil to the UAE market. In 2006, U.S. and allied forces present in the Gulf Region, commercial interests along with aid shipments to Iraq should generate strong demand from all sources, including the U.S.

	2003	2004	2005
Total Market Size*	12,400	14,500	15,000
Total Local Production	0	0	0
Total Exports	12,000	12,900	11,000
Total Imports	24,400	27,400	26,000
Total Imports from the US	24,400	27,400	16,500

* Note: All statistics are in metric tons

Source: ATO-Dubai estimates

3. Fresh/Chilled/Frozen Beef

The traditional UAE market preference is for lamb, mutton and goat meat. Prior to the market closure in December 2003 due to BSE detected in the one dairy cow in Washington State, US beef exported to the UAE had been mostly US choice cuts for 5-star hotel restaurant use and more processed meat for the casual dining and quick service restaurants spread out across Dubai and Abu Dhabi. With the U.S. beef ban being lifted in June 2005, U.S. beef should be in high demand given the market has had

to make do with red meat supplied by India, Australia and New Zealand at prices comparable to premium U.S. beef. UAE local red meat production is negligible, but some re-export of processed frozen beef to neighboring GCC neighboring countries does take place.

	2003	2004	2005
Total Market Size*	30,000	31,000	32,000
Total Local Production	0	0	0
Total Exports	11,000	12,000	12,000
Total Imports	41,000	43,000	44,000
Total Imports from the US	1,300	400	700

* Note: All statistics are in metric tons
Source: ATO-Dubai estimates

4. Apples

US Red Delicious apples are recognized as the best apple available. However, as is true across the globe, the apple business is very competitive and the market dynamics in the UAE are no different. Other varieties including Fuji, golden delicious and gala are making headway into the Delicious market. Besides the US other major suppliers include nearby Iran, as well as Chile, France and China. Iran dominates the market with at least 60 percent market share, particularly for golden apples. Dubai is the apple re-export center for the region, with 60 percent of imports being re-exported. Major destinations are the other GCC countries, especially Saudi Arabia, and other markets in the greater region like Egypt.

	2003	2004	2005
Total Market Size*	77,000	80,000	82,000
Total Local Production	0	0	0
Total Exports	33,000	35,000	35,000
Total Imports	110,000	115,000	117,000
Total Imports from the US	19,000	7,800	21,700

* Note: All statistics are in metric tons
Source: ATO-Dubai estimates

5. Poultry Meat (FOD)

U.S. poultry meat, particularly chicken parts and to a lesser degree whole chicken and turkey, are well known for their high quality. This past year witnessed a large influx of branded chicken parts at very competitive prices. Brazil, Saudi Arabia, France and Denmark dominate the market for frozen whole chickens. Brazil and the U.S. dominate the market for chicken parts. Whole chickens represent 90 percent of total chicken meat imports. The preferred size for whole chicken ranges from 900-1,200 grams per bird. Chicken parts are imported in two-pound trays. In 2006, U.S. and allied forces present

in the Gulf Region, commercial interests along with aid shipments to Iraq should continue to generate strong demand from all sources, including the U.S. frozen chicken.

	2003	2004	2005
Total Market Size*	133,000	170,000	177,000
Total Local Production	33,000	35,000	37,000
Total Exports	45,000	15,800	20,000
Total Imports	145,000	150,800	160,000
Total Imports from the US	25,000	10,000	15,000

* Note: All statistics are in metric tons
Source: ATO-Dubai estimates

Note: Quantity data for 2003 and 2004 total imports for UAE in all tables are ATO Dubai estimates.

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Chapter 5: Trade Regulations Customs and Standards

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Import Tariffs

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Effective January 1, 2003, the UAE acceded to the Gulf Cooperation Council (GCC) Customs Union that equalizes the duties paid upon entry of an item to any member state, regardless of the country of destination within the GCC. For example, an item imported into the UAE destined for the Saudi market is subject to the five percent duty once it enters the UAE market. In theory, the trader need not pay customs duties again to take the item across the border into Saudi Arabia.

The GCC has recently reviewed the list of goods that are exempt from Customs duties and that list is available on the Dubai Customs web site at www.dxbcustoms.gov.ae.

The Customs duty for most items is calculated on CIF value at the rate of five percent. Alcoholic products are assessed a 50 percent duty, while tobacco products are assessed a 100 percent customs duty. Many essential items, including staple foodstuffs and pharmaceuticals are given duty free status. CIF value will normally be calculated by reference to the commercial invoices covering the related shipment, but Customs is not bound to accept the figures shown therein and may set an estimated value on the goods, which shall be final, as far as duty is concerned.

Trade Barriers

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The United Arab Emirates (UAE) maintains a free exchange and liberal trading system. The Gulf Cooperation Council (GCC), consisting of the UAE, Saudi Arabia, Kuwait, Bahrain, Qatar and Oman, has been discussing a common external tariff for some years. As a result of these efforts, on January 1, 2003, the GCC states agreed to harmonize their import duties to five percent.

In advance of the GCC Customs Union agreement, the UAE created the UAE Customs Authority. The Customs Authority's main priority is to create a customs union within the UAE to unify Customs rules, regulations, procedures and documentation.

Only firms with the appropriate trade license can engage in importation. Documentation requirements follow international standards and delays in custom clearance have been infrequent. The competition for business between the port facilities of the different emirates has kept user rates at a minimum and put a premium on services. There are no duties on exports. For religious and security reasons, there are various restrictions on the import of alcohol, tobacco, firearms, and pork products.

The UAE maintains non-tariff barriers to trade and investment in the form of restrictive agency/sponsorship/distributorship requirements and restrictive shelf-life requirements for foodstuffs. Since June 1996, the UAE Federal Government elected not to register new food agency agreements. Food agency agreements prior to June 1996 are still operational.

In order to do business in the UAE outside of one of the free zones, a foreign business must have a UAE national sponsor, agent, or distributor. Once chosen, sponsors, agents, or distributors have exclusive rights for non-food products only. Agency law does not pertain to food products. Agents and distributors cannot be easily replaced without their agreement. The UAE requires a company be registered in order to be invited to receive government tender documents. Government tendering is not conducted according to generally accepted international standards. Re-tendering is the norm, often as many as three or four times. To bid on federal projects, a supplier or contractor must either be a UAE national or a company in which UAE nationals own at least 51 percent of the share capital. Federal tenders must be accompanied by a bid bond in the form of an unconditional bank guarantee for five percent of the value of the bid. However, these rules do not apply to major project awards or defense contracts, where there is no local company that can provide the goods or services required. The UAE has no formal requirement that a portion of any government tender be subcontracted to local firms, but local companies clearly enjoy a competitive advantage.

As part and parcel of its development into a regional trading center, the UAE government has made the protection of intellectual property a priority in recent years. New copyright, trademark and patent laws, passed in 2002, provide high levels of protection for U.S. intellectual property. The UAE is party to the Paris Convention for the Protection of Industrial Property, and a member of the World Intellectual Property Organization (WIPO) and World Trade Organization (WTO).

Agricultural Trade Barriers

Food products face relatively minor trade barriers. GCC-mandated shelf-life requirements for close to 100 products require that all processed products carry both production and expiration dates on the original manufactured applied label. In addition, all imported food products must have one-half or more of their shelf life in effect at the time of import in order for import clearance to be granted.

Various free guides to doing business in the UAE are available from accounting and law firms located in the UAE. Additionally, the US Embassy Agricultural Trade Office has

published a Food Exporters Guide for doing business in the GCC-5. (Bahrain, Kuwait, Oman, Qatar and UAE).

The UAE has no import quotas but has non-tariff barriers in the form of restrictive agency/sponsorship/distributorship requirements affecting food trade. Since June 1996 the UAE no longer registers food agency agreements. However, food agency agreements entered into force prior to this date remain legally enforced and operational.

Imports of alcoholic beverages, tobacco and pork products are permitted but restricted.

Import Requirements and Documentation

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The consignee/agent should obtain a delivery order from the Shipping Agent and submit original standard trade documentation, including certificates of origin, bills of lading, commercial invoice, export declaration and various government/embassy attestations. These documents must be presented for all imports and exports. Various free guides to doing business in the UAE are available from accounting and law firms located in the UAE. Additionally, the US Embassy Agricultural Trade Office has published a Food Exporters Guide for doing business in the GCC-5. (Bahrain, Kuwait, Oman, Qatar and UAE).

Effective January 1, 2003, the UAE acceded to the GCC Customs Union that equalizes the duties paid upon entry of an item to any member state, regardless of the country of destination within the GCC. For example, an item imported into the UAE destined for the Saudi market is subject to the 5 percent duty once it enters the UAE proper. In theory, the trader need not pay customs duties again to take the item across the border into Saudi Arabia.

There have been some problems in the transition period and the GCC is working to resolve these problems. Some items that were previously exempt from duty in Abu Dhabi emirate, for example, are no longer exempt under the new national/regional tariff scheme. The GCC has recently undertaken to review the exemption list, which is available on the Dubai Customs web site at www.dxbcustoms.gov.ae. There has also been uneven implementation in the Gulf region.

U.S. Export Controls

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All goods exported to or re-exported from the UAE must have proper documentation issued by the Ministry of Economy and Commerce and the various Chambers of Commerce in the respective individual emirates. US firms seeking to export goods from the US to the UAE should consult the appropriate US export control agencies regarding the need for an export license for the UAE. The UAE has a thriving transshipment and re-export business. US firms should also consult the proper US authorities regarding the need to obtain re-export authorization for items to be re-exported from the UAE to other countries, as well as exercising caution that US goods are not re-exported to prohibited countries without the proper permission. The commercial section of the embassy in Abu

has a commercial officer specifically to assist US firms in compliance with US export controls.

Temporary Entry

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As a general rule, imports of goods into the UAE for the purpose of re-export within six months are exempt from customs duty. However, a deposit or submission of a bank guarantee in lieu of duty is required by Customs. The deposit or bank guarantee is refunded/released by the local Custom authority on proof of re-export. Goods remaining in the UAE after six months are liable for customs duty.

Goods may be imported duty free and stored in any of several free zones in the UAE. Goods that enter the UAE from these free zones must pay the duty noted previously. There is no provision for duty free entry of parts or components intended for the manufacture of goods to subsequently be exported. As duties are already so low, this has not been a major impediment to manufacturing industries in the UAE.

Labeling and Marking Requirements

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Food labels must include product and brand names, production and expiry dates, country of origin, name and address of the manufacturer, net weight in metric units, and a list of ingredients and additives in descending order of importance. All fats and oils used as ingredients must be specifically identified on the label. Labels must be in Arabic only or Arabic/English. Arabic stickers are accepted. Note: the production and expiry dates must be printed on the original manufactured installed label.

Shelf life Standards: the UAE enforces a shelf-life standard for 100 food products. The manufacturer established shelf life is accepted for other food products. The manufacturer must print production and expiry dates on the original label or container. Dates cannot be added after the fact via a sticker. The U.S. supplier should work closely with the importer to ensure compliance with local shelf-life requirements.

Prohibited and Restricted Imports

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All kind of illicit drugs (hashish, cocaine, heroin, etc.) are prohibited in the UAE, as is forged currency and pornography. Publications, videos, photographs, oil paintings, cards, books, magazines and sculptures that do not adhere to religious morals and those that aim to cause corruption and disorder are also banned. The UAE is serious about enforcing intellectual property rights and prohibits the importation of counterfeit goods that infringe on these commercial rights.

Irradiated food products are prohibited, while imports of alcohol and pork products are strictly regulated

Customs Contact Information

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Dubai Customs: <http://www.dxbcustoms.gov.ae/>

Abu Dhabi Customs: <http://www.auhcustoms.gov.ae/>

Sharjah Customs: <http://www.sharjahcustoms.gov.ae/>

Fujairah Customs: http://www.fujairahfreezone.com/hdo_start.html

Standards

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Overview

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The UAE recently established a new standards organization responsible for formulating and enforcing UAE/GCC standards. This organization, the Emirates Authority for Standardization and Metrology (ESMA), is now an independent entity from the Federal Ministry of Finance and Industry. However, the national and emirate governments, as well as professional associations, are constantly reviewing standards requirements. This is particularly true for the construction industry. Currently, government agencies and private firms stipulate the standards on a project-by-project basis. This allows for a wide range of acceptable product performance, makes health and safety monitoring difficult, and permits the use of low quality products and manipulation of tender specifications. ISO 9000 certification was first introduced and granted to a UAE company in 1993. Since then, more have received the certification, and the EU is funding a standards center in the UAE to implement ISO 9000 certification

Standards Organizations

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ESMA is headquartered in Abu Dhabi, the capital of the UAE, and maintains a branch office in Dubai. ESMA has recently formed four major divisions/departments within its organization including standards, accreditation, conformity and metrology. Lists of standards are available at ESMA's head office in Abu Dhabi and branch office in Dubai.

Following is the contact address of ESMA's head office and the various divisions within the organization:

Emirates Authority for Standardization and Metrology (ESMA)

P.O. Box 2166
Abu Dhabi, UAE
Phone: +971 2 671 1110
Fax: +971 2 671 5999
Email: esma@uae.gov.ae
Contact: Mr. Walid Bin Falah Al Mansouri, Director General

Emirates Standardization Department
P.O. Box 2166
Dubai, UAE
Phone: +971 2 676 3743
Fax: +971 2 617 5999
Email: alsherif.esma@uae.gov.ae
Contact: Mr. Abdul Ghaffar Al Sherif, Director

Emirates National Accreditation system (ENAS)
P.O. Box 48666
Dubai, UAE
Phone: +971 4 295 1737
Fax: +971 4 294 4428
Email: accreditation.esma@uae.gov.ae
Contact: Mr. Abdula Hamid Alwan, Director

Emirates Conformity & Assessment Scheme
P.O. Box 48666
Dubai, UAE
Phone: +971 4 295 1626
Fax: +971 4 294 4428
Email: afaneh.esma@uae.gov.ae
Contact: Mr. Hatim Afaneh, Director

Emirates Metrology Department
P.O. Box 48666
Dubai, UAE
Phone: +971 4 294 4434
Fax: +971 4 294 4428
Email: salam.esma@uae.gov.ae
Contact: Mrs. Salam Mohamed Al Heyari, Metrology Specialist

Conformity Assessment

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ESMA 's conformity department is responsible for implementing specialized programs such as Quality and Conformity Marks, Conformity Certification according to Internationally approved methods. Conformity assures compliance to either national or internationally approved standards. Compliant products are issued with Certificates. These Certificates increase the level of trustworthiness in national products, and accordingly raise their ability to compete in the foreign markets.

The Conformity department builds databases for products and companies that deal with conforming products. In addition, conformity personnel participate in conferences,

organizations, authorities and committees and meetings for activities related to conformity.

The Conformity Department consists of three main sections: local conformity section, international conformity section and inspection.

Product Certification

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ESMA practices its authority and responsibility to ensure safety, health, economical and environmental protection by ensuring that services and consumer commodities are of quality and in conformity with the National standards. Whenever National or Gulf Standards are not available, ESMA uses international or foreign standards suitable to the UAE environment and conditions, in terms of health and safety requirements.

The Emirates Authority for Standardization & Metrology (ESMA) implemented the Emirates Conformity Assessment Scheme (ECAS), as a system combining conformity assessment and certification for products in the local market. In addition, exporters of regulated products may choose to obtain a certificate of conformity for their exported shipments.

Certificates of Conformity are issued for products that comply with National or Gulf Standards. Whenever these standards are unavailable, other approved standards such as international, or foreign can alternatively be used. Special attention will be paid to the UAE special national requirements whenever they exist.

Accreditation

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Test reports from any accredited or approved laboratory shall be submitted to ESMA. These reports shall be reviewed and the compliance level to standards is assessed.

If all the essential requirements are not fulfilled, the applicant will be informed of the relevant standards and/or the steps needed to meet these essential requirements. These steps could include type testing or modification of the product according to the observed discrepancy.

Laboratories:

The Authority supervises and manages the scheme in addition to monitoring the laboratories performance to support all the Scheme's requirements.

The Approved Laboratories are those:

Accredited by national recognized organizations

Approved by the Authority based on evaluating their capabilities

Accredited by the National Accreditation Body

Other laboratories nominated by the manufacturers

Publication of Technical Regulations

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Currently, ECAS applies to five product categories (toys; automotive car batteries; paints; automotive lubricating oils; and synthetic detergents – household synthetic powdered detergents for household use). The list is not intended to be comprehensive and more products may be added at a future date. The addition of more products is

based on assessment of consumer exposure to hazards as well as the extent to which such products comply with the national standards on a voluntary basis.

Products added to the regulated products list will be advertised at least two months prior to implementation, in order to allow sufficient time to assess such products and demonstrate compliance.

The ECAS procedures and guidelines provide comprehensive information on the requirements of the Emirates Conformity Assessment Scheme (ECAS). It explains the steps required for compliance and how Certificates of Conformity can be obtained. These guidelines also contain the requirements related to the self-declaration and registration processes.

Regulated Products under this Scheme are listed on ESMA's web site. Any clarifications can be obtained by contacting the authority. The Authority can provide comprehensive details on the scope of products regulated under the Scheme.

The Authority can be contacted for any clarification concerning regulated products. In addition, the Authority can issue a formal Clarification Letter to illuminate whether the product is regulated or not. This letter is valid for a period of one year from its date of issue to prove the status of the products, subject to no alterations or changes to the regulated products list.

Labeling and Marking

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The Emirates Authority for standardization and metrology is currently developing packaging and product labeling standards. Please visit ESMA web site or contact the Conformity Department directly at the following address:

Conformity Department
Emirates Authority for Standardization & Metrology
P.O. Box: 48666
Dubai - United Arab Emirates
Telephone: + 971 4 295 1626
Fax : + 971 4 295 1898
E-mail on: conformity.esma@uae.gov.ae
Web Site: <http://www.uae.gov.ae/esma/English/Home.htm>

E-mail: adel.fehmi@mail.doc.gov for additional information from the U.S. Commercial Service for the UAE.

Trade Agreements

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The UAE is a member of the Gulf Cooperation Council (GCC). In 1981, the GCC issued the Unified Economic Agreement, a plan for complete economic integration among the six member states (Saudi Arabia, Kuwait, UAE, Bahrain, Qatar and Oman). As no time schedule for implementation was adopted in the original agreement, the agreement has

been supported in principal only. However, over the next 6-8 years, provisions of this agreement will be implemented. For example, by 2006 the harmonized food schedule will be implemented and by 2008, a unified currency is scheduled to be in place.

Under the agreement, all agricultural, animal, industrial, and natural resource products from member states are exempt from duties and other charges when traded among member states. To qualify as a GCC national product, the value added in a GCC member state must not be less than 40 percent of the final value and produced in a factory with at least 51 percent local ownership and licensed by the respective Ministry of Finance and Industry. All intra-GCC shipments claiming this exemption must be accompanied by a duly authenticated certificate of origin.

Telecommunications

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The Emirates Telecommunications Corporation (Etisalat) is the sole telecom provider in the UAE. Currently there are over 2.4 million mobile subscribers (up from 43,000 in 1992), representing a penetration rate of 70 percent. The Global System for Mobile Communications (GSM) operating in the 900 MHz band is the standard for all the mobile phones in the UAE. Fixed telephone subscribers are 1.1 million representing a penetration rate of 32 percent. These rates are comparable with most advanced countries in the World. Internet subscriptions have grown to over 280,000, representing more than a million users. This takes the UAE to the 19th position in the world in terms of Internet penetration. Etisalat has been providing Internet service in the UAE since August 1995 and the UAE has one of the fastest Internet growth rates in the world. This is largely because Etisalat offers the cheapest Internet access in the Arab world. Digital Subscriber Line (DSL) and Integrated Services Digital Network (ISDN) services are also available for both Internet and video-conferencing at competitive rates.

For more information check their web site at <http://www.etisalat.ae/>

Transportation

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Taxis are common and inexpensive. In Abu Dhabi, fares rarely exceed Dhs. 14 (US \$3.50). Luxury radio taxis are available from the major hotels for triple the rate of street taxis, but are still a bargain. In Dubai, not all taxis are metered, but fares should not exceed Dhs. 30 (US \$8) unless traveling to the outer suburbs. The fare from the World Trade Center to the Jebel Ali Free Trade Zone is about Dhs. 105-110 (US \$30-36).

Language

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The language of business is English and Arabic. Most taxi drivers understand sufficient English to get you where you want to go.

Health

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Public health services in Abu Dhabi and Dubai are adequate, i.e., major trauma cases can be stabilized. Major hospitals have modern equipment and non-Western trained

personnel to operate them. Most western expatriates use private medical facilities and carry private health insurance

Local Time, Business Hours, and Holidays

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Local Time: GMT+4 hrs

Government offices open at 7:30 am Saturday through Wednesday and close at 2 p.m. for the day. Local businesses often close from 1:00 p.m. until 4:30 or 5:00 p.m. and then re-open for several hours. Visitors should plan appointments around these timings as UAE businesspeople may not adjust their schedules in order to meet during their closing time. Private UAE companies close Thursday afternoon and Friday. Business meetings are rarely, if ever, held on Thursday afternoon or Friday, which UAE nationals value as family time.

US Embassy Holidays 2006

New Year's Day	January 1	Sunday
Waqfa & Eid Al-Adha*	January 10 -12	Tuesday – Thursday
Martin Luther King Jr. Day	January 14	Saturday
Islamic New Year*	January 31	Tuesday
President's Day	February 18	Saturday
The Prophet's Birthday*	April 11	Tuesday
Memorial Day	May 27	Saturday
Independence Day	July 4	Tuesday
The Prophet's Ascension Day*	August 21	Monday
Labor Day	September 2	Saturday
Columbus Day	October 7	Saturday
Veteran's Day	November 11	Saturday
Eid Al Fitr*	October 24 - 26	Tuesday – Thursday
Thanksgiving Day	November 23	Wednesday
UAE National Day*	December 2	Saturday
Christmas Day	December 25	Monday
Eid Al Adha*	December 31 – January 3, 2007	Sunday - Tuesday

* Denotes UAE religious and/or national holiday. Dates for religious holidays are dependent upon the sighting of the moon and may vary from these dates.

** If UAE declares this holiday. The remaining holidays are US Embassy holidays.

Temporary Entry of Materials and Personal Belongings

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As a general rule, imports of goods into the UAE for the purpose of re-export within six months are exempt from customs duty. However, a deposit or submission of a bank guarantee in lieu of duty is required by Customs. The deposit or bank guarantee is

refunded/released by the local Custom authority on proof of re-export. Goods remaining in the UAE after six months are liable for customs duty.

Goods may be imported duty free and stored in any of several free zones in the UAE. Goods, which enter the UAE from these free zones, must pay the duty noted previously. There is no provision for duty free entry of parts or components intended for the manufacture of goods to subsequently be exported. As duties are already so low, this has not been a major impediment to manufacturing industries in the UAE.

Web Resources

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The website for the US Embassy in Abu Dhabi is <http://usembassy.state.gov/uae/>

The website for the US Consulate in Dubai is <http://dubai.usconsulate.gov/>

The website for the Department of State, where you can find travel advisories, is www.state.gov.

Emirates Authority for Standardization and Metrology (ESMA)

<http://www.uae.gov.ae/esma/English/Home.htm>

Web site for Etisalat (Telecommunications Department of UAE) <http://www.etisalat.ae/>.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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Investment laws and regulations are evolving in the UAE and are expected to become more conducive to foreign investment. At present, the regulatory and legal framework favors local over foreign investors. There is no national treatment for investors in the UAE, and foreign ownership of land and stocks is restricted, although these sectors are beginning to open up.

The UAE government is opening up its trade sectors in line with its WTO obligations. The UAEG already has taken steps to cut red tape for foreign investors, and now exempts investors from obtaining a Ministry of Labor card in addition to an Immigration Department visa. Investors no longer need to appear in person to inquire about the status of business applications in Abu Dhabi. A new automated service, offered in Arabic and English, allows investors to receive information about their business licenses over the phone. The U.S. and UAE began negotiating a Free Trade Agreement in March 2005 and completed the third round of negotiations in November 2005. An FTA is expected to further open up the UAE to U.S. foreign direct investment.

There have been no significant investment disputes during the past few years involving U.S. or other foreign investors. Claim resolution has not generally been a problem, although foreign companies tend not to press claims.

There is no income tax in the UAE. Foreign banks pay 20 percent tax on their profits. Foreign oil companies with equity in concessions pay taxes and royalties on their proceeds. There are no consumption taxes, and the GCC states formally implemented a

single import tariff of 5 percent on most goods January 1, 2003. The exceptions to the 5 percent tariff in the UAE are a fifty percent tariff for alcohol, a one hundred percent tariff for tobacco, and duty exemptions for 53 food and agricultural items. There is also a 5000 dirham rental tax imposed in Dubai. The UAE has said that it is considering passing a Value Added Tax (VAT) averaging 7-12% on the federal level and has asked for assistance from the IMF.

Regulation of the establishment and conduct of business in the UAE is shared at the federal and emirate levels. There are four major laws affecting foreign investment in the UAE; the Federal Companies Law, the Commercial Agencies Law, the Federal Industry Law, and the Government Tenders Law. These laws, especially the Federal Companies Law, are seen as the largest obstacles to foreign direct investment in the UAE.

The Federal Companies Law applies to all commercial companies established in the UAE and to branch offices of foreign companies operating in the UAE. Companies established in the UAE are required to have a minimum of 51 percent UAE national ownership. However, profits may be apportioned differently. Branch offices of foreign companies are required to have a national agent unless the foreign company has established its office pursuant to an agreement with the federal or an emirate government. All general partnership interest must be owned by UAE nationals. Foreign shareholders may hold up to a 49 percent interest in limited liability companies.

The Commercial Agencies Law requires that foreign principals distribute their products in the UAE only through exclusive commercial agents that are either UAE nationals or companies wholly owned by UAE nationals. The foreign principal can appoint one agent for the entire UAE or for a particular emirate or group of emirates. The law provides that an agent may be terminated only by mutual agreement of the foreign principal and the local agent, notwithstanding the expiration of the term of the agency agreement.

The Federal Industry Law stipulates that industrial projects must have 51 percent UAE national ownership. The law also requires that projects either be managed by a UAE national or have a board of directors with a majority of UAE nationals. Exemptions from the law are provided for projects related to extraction and refining of oil, natural gas, and other raw materials. Additionally, projects with a small capital investment or special projects governed by special laws or agreements are exempt from the industry law.

The Government Tenders Law stipulates that a supplier, contractor, or tenderer with respect to federal projects must either be a UAE national or a company in which UAE nationals own at least 51 percent of the share capital or foreign entities represented by a UAE distributor or agent. Foreign companies wishing to bid for a federal project must, therefore, enter into a joint venture or agency arrangement with a UAE national or company. Federal tenders must accompany a bid bond in the form of an unconditional bank bond guarantee for 5 percent of the value of the bid. If goods and services are not available locally then UAE federal government entities often tender internationally.

Up until recently, only Emiratis and other GCC nationals were permitted to own land in the UAE, while foreigners, who comprise 80-85% of the population, had been restricted to renting. In May 2002, the Emirate of Dubai announced that it would permit so-called "free hold" real estate ownership for non-GCC nationals by giving permission to three companies to develop and sell freehold properties on government-designated pieces of land. However, because specific laws regarding freehold ownership remain to be

codified and procedures for title documentation and conveyance remain to be established, potential buyers are unsure whether they will have an absolute freehold title that means the same as it does in Europe or the U.S. In 2005, the Emirate of Abu Dhabi announced that it would also allow "lease hold" real estate ownership for non-UAE nationals in certain designated areas, although this law has still not been published in the Abu Dhabi Gazette. As of the end of 2005, Abu Dhabi had not yet designated any areas for investment.

Perhaps the most important impediment to Dubai's "free holds" is that owners cannot register titles with the Dubai Land Department, a step that allows owners access to the full range of legal protections and transactions that property ownership requires. If a national and foreigner try to register a change of land title, the Land Department normally turns them away. Inheritance laws present another area of concern to freehold buyers, and current legislation appears ambiguous. "Free holds" are so new that there are no court precedents yet. Some people are reportedly avoiding this legal ambiguity by purchasing homes through an offshore shell company. Nevertheless, the Dubai Government has promised to resolve these problems and ambiguities in a new land law.

In 2005, the UAE President issued Law No. 19 dealing with real estate ownership in Abu Dhabi, which includes limited foreign ownership of property. The law states that non-UAE nationals shall have the right to own surface property, but not the land itself in investment areas. Foreigners shall have the right to arrange all their surface properties and to derive benefits from them based on a 50 year surface ownership agreement that can be renewed for the same period subject to the agreement of the two parties. The law grants mortgage rights to anyone with the right to benefit from the property for a period of more than ten years, even without the permission of the owner. However, the owner of the property shall not mortgage it unless he gets approval from the person who has the right of benefit of the property.

Oil will continue to be a major sector for foreign investment in 2005. UAE oil production capacity currently is around 2.5 million barrels per day (MB/D). It should rise to 2.7 and 3.0 MB/D by 2006 and 2010, respectively. In addition, the UAE plans to add new oil refining capacity in Abu Dhabi and to build a new refinery in Fujairah. Abu Dhabi Company for Onshore Operations (ADCO) plans to lift production to 1.45 MB/D, Abu Dhabi Marine Operating Company (ADMA-OPCO) to 600,000 B/D and Zakum Development Company (ZADCO) to 600,000 B/D during the next three to five years. As part of the effort to continue to improve output and seek foreign technological and managerial expertise, the state-run Abu Dhabi National Oil Company (ADNOC) tendered the privatization of a 28 percent stake in the offshore Zakum oilfield in April 2002. The Supreme Petroleum Council in 2005 selected Exxon-Mobil for final negotiations for the share of the field. No regulatory/demand issues affect the market.

We are optimistic that opportunities for foreign investment in the public utilities sector will increase as well. In March 1998 the Abu Dhabi Water and Electricity Authority (ADWEA) awarded a contract for the UAE's first independent water and power project (IWPP), with an estimated value of US\$750 million, to an American firm. The firm was selected as part of an Anglo-American consortium to manage the emirate's third IWPP in 2001. The Abu Dhabi government has announced that power generation (includes power and desalinated water production) and transmission will be privatized, while power distribution will remain under the control of Abu Dhabi authorities. The estimated

commercial value of planned power and water sector development projects in Abu Dhabi is US\$5 billion

In 2004, the UAE enacted legislation to end the monopoly of Etisalat (the official UAE telecommunications company). In May 2005, the UAE approved the establishment of one new telecom company to compete with Etisalat. The UAE gave a \$1.1 billion license to Emirates Integrated Telecommunication Company (EITC). EITC is expected to start operations in the summer of 2006 and will offer the full range of telephone services throughout the UAE (mobile, fixed line, internet, etc.) The UAE government owns 50% of the new company, while Mubadala Development Company and Emirates Communication and Technology LLC each own 25% of the new company. The owners of the company are expected to reduce their total shares by allowing 20% of the company's capital to be offered to the public through an IPO.

Defense contractors with an eye for investment in the UAE must negotiate directly with the UAE Offsets Group (UOG), and invest an amount that will generate a profit equal to 60% of their contract in the UAE. UOG investment projects generally must show the required profit after seven years. The contractor may not own more than 49 percent of the project, and UAE nationals must hold the remaining 51 percent. There are currently more than 30 offset ventures; offset projects cover the full spectrum of economic activity, including, inter alia, advertising, fish farming, air conditioning, language centers, shipbuilding, aircraft maintenance, leasing, medical services, and even polo grounds. One of the largest offset ventures is the Oasis International leasing company – a British Aerospace offsets venture.

In November 2004, the UAE announced its intent to open up the insurance sector to new foreign insurance companies. Any new companies entering the market are required to meet high level international rating criteria and must complete a viability study to prove that it will be offering new products to the market. About half of the insurance companies in the UAE are foreign, but new entries were frozen since 1999. Currently, there is only one American subsidiary insurance company operating in the UAE.

Conversion and Transfer Policies

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There are no restrictions or delays on the import or export of either the UAE Dirham or foreign currencies by foreigners or UAE nationals, with the exception of Israeli currency and the currencies of those countries subject to United Nations sanctions. The UAEG passed comprehensive anti-money laundering legislation following the attacks of September 11, 2001, that imposes strict documentary requirements on large wire transfers. Travelers entering the UAE must declare currency amounts of more than 40,000 Dirhams (approximately US\$10,800) as part of these measures.

Since February 2002, the Dirham has been officially fixed to the U.S. Dollar. The exchange rate is 3.67 UAE Dirhams per one U.S. Dollar. Every bank transaction in US dollars is subject to a 1% fee.

Expropriation and Compensation

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Foreign investors have not been involved in any expropriations in the UAE in recent years. There are no set rules governing compensation if expropriations were to occur, and individual emirates probably would treat this differently. In practice, authorities in the UAE would not expropriate unless there was a compelling developmental or public interest need to do so, and in such cases compensation would be generous.

Dispute Settlement

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There have been no significant investment disputes during the past few years involving U.S. or other foreign investors, but there have been several contractor disputes, with the government as well as local businesses. Disputes generally are resolved by arbitration, by the parties themselves, or by recourse to the legal system. Dispute resolution can be difficult and uncertain, however. Arbitration may commence by petition to the federal courts on the basis of mutual consent, a written arbitration agreement, independently or by nomination of arbitrators, or through a referral to an appointing authority without recourse to judicial proceedings. Enforcing arbitration judgments can be difficult as they require court certification, and judicial proceedings may continue for several years.

Companies interested in developing large projects in Dubai are routinely required to have investors lined up to finance the project prior to its being awarded to them, and may be required to furnish detailed information about those investors to assure the Dubai emirate government that funding is indeed locked in. Companies wishing to be awarded a project that they can subsequently go out and "sell" to investors have been frustrated to find that this is not the standard procedure in Dubai.

The UAE constitution established a federal court system while acknowledging the right of the individual emirates to maintain a court system of their own. Accordingly, each emirate applies federal law in its own court system that consists of courts of first instance, courts of appeal and a Supreme Court. The court of first instance consists of civil, criminal, and Sharia (Islamic law) courts. Sharia law is only applicable to Muslims and relates to family matters mentioned in the Koran. Courts will interpret statutory law and legal precedent in deciding cases. Commercial disputes involving foreign parties tend to come before the civil courts in the federal system; a panel of three judges ordinarily hears commercial disputes. All cases involving banks and financial institutions are required to be heard by civil courts. In Abu Dhabi, all non-arbitration commercial disputes are first brought to the Abu Dhabi Conciliation Department. If the parties are unable to reach a settlement, they can begin legal proceedings in the court of first instance.

The UAE federal Supreme Court has held that a foreign arbitration clause in a registered commercial agency agreement is unenforceable because the Commercial Agency Law of 1981 states that UAE courts have jurisdiction over commercial agency disputes. According to an analysis by Western-trained attorneys of the UAE code of civil procedures, however, UAE courts will recognize a decision by both parties to refer a dispute to arbitration. No party in a dispute can file a court claim if such party already

has agreed to refer the claim to arbitration. The parties can move to arbitration at any stage during litigation. The civil procedure code details rules governing the qualification of arbitrators and many other aspects of the arbitration process. The venue of arbitration is required to be within the UAE, and if not, the resultant award is treated like a foreign judgment.

The code contains comprehensive rules in connection with the various types of preventive and provisional remedies prior to litigation and the issuance of judgments, including the attachment of property, confiscation of the defendant's passport and prohibitions on travel, as well as the detention of the defendant in certain instances. However, the courts must certify all arbitration decisions, and though they do not review substantive claims, they can invalidate decisions based on procedural considerations. Parties can also appeal certification decisions thus prolonging enforcement indefinitely.

In 1993 the Abu Dhabi Chamber of Commerce and Industry formed the Abu Dhabi Commercial Conciliation and Arbitration Center in an effort to accelerate commercial dispute resolution. The Center has jurisdiction to conciliate or arbitrate commercial disputes. The Center's executive regulations govern the conciliation and arbitration procedure. Though referral by the parties to the Dispute Center ostensibly requires them to accept the finality of the Center's decision, the courts must still certify the decision and enforcement can be delayed. The Center conducts proceedings in Arabic or any other agreed upon language.

The Dubai Chamber of Commerce and Industry has promulgated similar commercial conciliation and arbitration rules that permit parties to have conciliation or arbitration proceedings under the auspices of the Chamber. In 2004, the Dubai International Arbitration Center was made independent of the Chamber. The Arbitration Center aims to bring international standards of arbitration to business in Dubai.

The UAE is a member of the International Center for the Settlement of Investment Disputes. Although the UAE Cabinet approved entry into the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards in 2003, the UAEG has not implemented the legislation, and is unlikely to do so in the near future.

Performance Requirements and Incentives

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As listed elsewhere in this report, the regulatory and legal framework in the UAE favors local over foreign investors. There is no national treatment for investors in the UAE. The UAE maintains non-tariff barriers to investment in the form of restrictive agency, sponsorship, and distributorship requirements. In order to do business in the UAE outside one of the free zones, a foreign business in most cases must have a UAE national sponsor, agent or distributor. Once chosen, sponsors, agents, or distributors have exclusive rights. They cannot be replaced without mutual agreement between the two parties. Government tendering is not conducted according to generally accepted international standards, and re-tendering is the norm. To bid on federal projects, a supplier or contractor must be either a UAE national or a company in which UAE nationals own at least 51 percent of the capital or have a local agent or distributor. Federal tenders must be accompanied by a bid bond in the form of an unconditional

bank guarantee for 5 percent of the value of the bid. UAE federal government entities can tender internationally since foreign companies sometimes are the only suppliers of specialized goods or services that are not widely available.

Incentives are given to foreign investors in the free zones. Outside the free zones, no incentives are given, although the ability to purchase property as freehold in certain favored projects in Dubai – and promises that foreign owners of such property would be granted residence permits as long as they remained in possession of title – would appear to be incentives aimed at attracting foreign investment.

Visas, residence permits, and work permits are required of all foreigners in the UAE except nationals from GCC countries. Americans are eligible to receive 10-year, multiple entry visas, which authorize stays up to six months per entry, with the possibility of a six-month extension. U.S. citizens may obtain visas for business and tourism at the airport upon arrival. These visas do not permit employment in the UAE.

Right to Private Ownership and Establishment

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Except as detailed elsewhere in this report, there are no restrictions on the right of private entities to establish and own business enterprises and engage in all forms of remunerative activity.

Protection of Property Rights

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The concept of a mortgage has just been introduced – but only for select Dubai-based five-star property developments. Mortgages are generally unavailable beyond these limited exceptions. In 2005, the Emirate of Abu Dhabi passed a law (which had not come into effect as of the end of 2005) allowing Emiratis to hold title on properties in the Emirate and opened up some foreign “leasehold” rights to surface property in certain designated areas. . Most construction, commercial and residential, is financed by a specialized agency of the government of Abu Dhabi, and commercial banks finance the remainder. Their collateral traditionally has been access to the rent stream of the building or the personal guarantee of the developer.

Foreign and national banks have increased their activity in the mortgage market, expanding their services to foreigners as well as nationals due to the recent boom in freehold property. Foreign banks have entered the market on a smaller scale; the local Mashreq Bank and Dubai Islamic Bank are most heavily involved in new mortgage business, with banks such as Standard Chartered and HSBC providing mortgages on a case-by-case basis to established customers.

The UAE Government continues to lead the region in protecting intellectual property rights (IPR). Anecdotal and statistical evidence confirms that the UAEG is enforcing copyright, trademark, and patent laws passed in 2002 to protect U.S. intellectual

property, and continues to demonstrate its commitment to the 2002 agreement providing TRIPS-plus levels of protection to U.S. pharmaceuticals.

The copyright law, enacted in July 2002, grants protections to authors of creative works and expands the categories of protected works to include computer programs, software, databases, and other digital works. Efforts to combat computer software piracy in the UAE have been successful. According to 2003 industry estimates, the rate of software piracy in the UAE is the lowest in the Middle East. The UAE is recognized as the regional leader in fighting computer software piracy. In 2005, the UAE launched several campaigns against piracy and seized thousands of pirated movies and music discs.

The UAE's Trademark Law, also issued in July 2002, confirms that the UAE will follow the International Classification System and that one trademark can be registered in a number of classes. The new law provides that the owner of the registration shall enjoy exclusive rights to the use of the trademark as registered and can prevent others from using an identical or similar mark on similar, identical or related products and services if it causes confusion among consumers.

In 2004, the UAEG sought to amend and expand the scope of landmark copyright, trademark, and patent laws issued in 2002. Most notably, in 2004, the UAE Ministry of Information issued regulations under the 2002 Copyright Law allowing for specialized collecting societies. These societies are a practical way for sound recording companies to collect royalties on the broadcast and performance of copyrighted material. The UAEG also is considering legislation for data protection, privacy, and other IP-related issues. In response to TIFA Council discussions, the UAE identified points of contact for rights holders to address complaints. The UAE also resolved a number of IPR complaints with U.S. pharmaceutical manufacturers in 2004.

Transparency of Regulatory System

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The fundamental instrument by which all of the emirates regulate business activity is the requirement that any place of business must acquire and maintain a proper license. The procedures for obtaining a license vary from emirate to emirate, but are straightforward and publicly available.

A license is not required unless a place of business is set up in the UAE. In other words, foreign businesses exporting to the UAE but without a regular or continuing business presence in the UAE do not need a license. Licenses available include trade licenses, industrial licenses, service licenses, professional licenses, and construction licenses.

Several federal regulations govern business activities in the UAE outside free trade zones. Activities within the free zones are governed by special bylaws.

Efficient Capital Markets and Portfolio Investment

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The UAE federal commercial code, promulgated in 1993, devotes an entire chapter to bankruptcy – the first comprehensive legislation in the UAE on the subject. Monetary judgments in bankruptcy cases are made in the local currency, and UAE courts enforce the judgments of foreign courts if there is reciprocity based on bilateral or international treaties. In the judgment of western legal experts, the commercial code chapter on bankruptcy governs the procedures and effects of bankruptcy in the UAE, but does not provide a mechanism for the orderly evaluation and distribution of assets of a bankrupt entity.

Credit is allocated on market terms. There are 21 UAE-owned banks with 375 branches in the UAE and abroad, 25 foreign banks with 87 branches, one restricted license bank, two investment banks, and 49 representative offices. Following a banking crisis caused by accumulating bad debts after the oil boom in the mid-1980s, the Central Bank stopped giving licenses to new foreign banks. However, in September 2003, the UAE Central Bank announced that it would allow the operation of more banks from other countries on a reciprocal basis. The Central Bank is also considering allowing foreign banks operating in the UAE to set up new branches provided that they undertake to employ UAE nationals. These new branches will allow foreign banks to provide a wider range of banking services. In October 2005, the Central Bank said that national banks conditionally agreed to having new foreign bank branches open in the country.

Citibank is the only U.S. bank in the UAE that offers full banking services. Bank of America has a representative office in Dubai, while Bank of New York has one in Abu Dhabi. The largest banks in terms of assets include the National Bank of Abu Dhabi, National Bank of Dubai, Emirates Bank International, Mashreq Bank, and Abu Dhabi Commercial Bank.

The Central Bank prohibits lending to an amount greater than 7 percent of a bank's capital base to any single customer. Foreign banks with branches in the UAE are not permitted to calculate loans as a percentage of their global capital, which may however be used to calculate in the capital adequacy ratio. In a revision to the rule, the Central Bank in 1993 said it would exclude from the requirement non-funded exposures, such as letters of credit and guarantees. The Central Bank also announced implementation of internationally recognized and accepted accounting principles.

The UAEG implemented a body of anti-money laundering legislation at the end of 2001, which included stringent reporting requirements for wire transfers exceeding US\$545 and currency importation reporting requirements of amounts exceeding approximately US\$10,800. The law imposes stiff criminal penalties (jail time and fines) for money laundering and also provides safe harbor provisions for those who report such crimes. Banks and other financial institutions are required to follow strict "know your customer" guidelines; all financial transactions more than \$54,000, regardless of their nature, must be reported to the UAE Central Bank. Banks and other financial institutions supervised by the Central Bank (exchange houses, investment companies, and brokerages) are required to maintain records on all transactions for at least five years.

In 2004, the UAE strengthened its legal authority to combat terrorism and terrorist financing by passing Federal Law Number 1 of 2004 on Combating Terror Crimes on July 29, 2004. (Law No. 1/2004). Law No. 1/2004 specifically criminalizes the funding of terrorist activities or terrorist organizations. Law No. 1/2004 provides for asset seizure and confiscation.

The UAE Central Bank established the Anti-Money Laundering and Suspicious Cases Unit (AMLSCU) in 1998 to perform the functions of a financial intelligence unit (FIU). The AMLSCU joined the prestigious Egmont Group of FIUs – the first Arab country to do so – at the Group’s June 2002 conference in Monaco. This membership was the basis of a number of Memoranda of Understanding the AMLSCU signed with other countries’ FIUs in 2002 to facilitate information sharing and case processing. The AMLSCU participated in seminars, consultative meetings, and training with Washington-based agencies in 2005, including the Department of Treasury’s FinCEN. Banks, customs officials, and other relevant personnel are required to file suspicious transaction reports with the unit.

Local banks finance most non-oil investment in the UAE. Even so, banks lack sufficient lending opportunities in the UAE, and consequently place most of their funds in overseas markets. Most of the manufacturing sector operates with higher levels of debt than prescribed by the 60:40 debt-to-equity ratio – generally the norm for this sector. Some three-fourths of gross fixed capital formation in manufacturing is directly or indirectly financed by the banking system.

Abu Dhabi and Dubai each have a stock exchange. 24 out of 50 stocks on the Abu Dhabi stock exchange and 18 out of 33 stocks on the Dubai stock exchange are open to foreign investment. Ministry of Economy and Planning rules allow foreign investment up to 49% in companies on the stock market, however, company by-laws in many cases prohibit or limit foreign ownership.

Political Violence

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There have been no instances in recent memory involving politically motivated damage to projects, or insurgencies that have impacted the investment environment.

Corruption

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There is no evidence that corruption of public officials is a systemic problem; however, the former head of Dubai Customs and Port Authority – along with five other customs officials – was tried, convicted, and sentenced in April 2001 to 27 years in prison on charges of corruption and embezzlement. He was pardoned four months later by the Dubai government and released.

American firms are bound by the Foreign Corrupt Practices Act – a copy of which may be obtained from the Commercial Section of the U.S. Embassy. In August 2005, the UAE signed the UN Anticorruption Convention.

Bilateral Investment Agreements

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On March 15, 2004, the United States signed a Trade and Investment Framework Agreement (TIFA) with the United Arab Emirates to provide a formal framework for dialogue on economic reform and trade liberalization. TIFAs promote the establishment of legal protection for investors, improvements in intellectual property right protection, more transparent and efficient customs procedures, and greater transparency in government and commercial regulations. Through this process, the United States Government (USG) can identify potential partners for further trade cooperation, such as free trade agreements (FTA).

The United States began negotiating a Free Trade Agreement with the UAE in March 2005. It held the second round in May and the third round in November 2005.

OPIC and Other Investment Insurance Programs

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The UAE has been suspended from U.S. OPIC insurance programs since 1995 because of the UAEG's lack of compliance with internationally recognized worker rights standards – particularly laborers' rights to association and collective bargaining. The ILO reported in April 2003, however, that the UAE had started to address these concerns. The UAE is in the process of drafting a labor law in consultation with the ILO that permits the creation of formal labor associations/unions.

Workers currently address grievances and negotiate disputes of matters of interest with employers through formal and informal mechanisms, including strikes – even though the law does not technically sanction them. The UAEG does allow workers to associate freely for the advancement of common goals and interests.

The UAEG prohibits strikes by those employed in the public sector on the grounds of national security considerations. There is continuous coverage in the local press, however, of private sector employees striking in protest of non-payment of wages. Throughout 2005, Ministry of Labor officials investigated and mediated such disputes – often to the benefit of the striking workers – and negotiated quick settlements.

Labor

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Population in the UAE is approximately 4.5 million, according to 2005 data estimates. In December 2005, the UAE began a door-to-door census. Results of the census will include both the foreign and local population in the UAE. More than 80 percent of residents are foreigners, and approximately 98 percent of private sector workers in the UAE are non-UAE nationals. Emiratisation of the UAE workforce remains a national objective, although mandated hiring of nationals has been limited to only a few sectors, such as banking, which has a 4% quota, insurance, which has a 5% quota and trade, which has a 2% quota for companies employing 50 workers or more as well as quotas in the federal government.

The Right to Organize and Bargain Collectively

The law does not specifically grant – but does not prohibit – workers the right to engage in collective bargaining. It does, however, expressly authorize collective work dispute resolution. There were a number of organized gatherings of workers that complained of unpaid wages before the Ministry of Labor and Social Affairs in 2003. Professional associations may raise work-related concerns, to lobby the UAEG for redress, or to file a grievance with the Government. For the resolution of work-related disputes, workers rely on conciliation committees organized by the Ministry of Labor and Social Affairs or on special labor courts.

Labor laws do not cover, and therefore do not protect, government employees, domestic servants, and agricultural workers. The latter two groups face considerable difficulty in negotiating employment contracts because the mandatory requirements contained in the labor law do not apply. They also face considerable difficulty in obtaining assistance to resolve disputes with their employers. UAE employers generally tie an employee's residency or visa to his employment and sponsorship. If the employee terminates his employment and is unable to secure new employment and a new sponsor, the employee loses residency and could be required to leave the country.

The UAE Government has committed itself to strictly regulating and enforcing labor laws, as witnessed by a recent series of legislation and proposals. In June 2004, the UAE's Cabinet of Ministers approved a memo calling for the establishment of labor unions and associations in the UAE. The UAE is currently revising its labor law to allow for the creation of labor unions and to ensure laborers' rights to organize and bargain collectively. Unlike the current law, which only covers private sector employees, the new federal law covering unions will include employees from both the public and private sectors. The exact role unions will play and membership conditions remain unclear. Under the new law, trade unions will likely be limited to UAE citizens, while expatriate workers would be represented through special committees.

Businesses in free trade zones must comply with federal labor laws; however, the Ministry of Labor does not regulate them. Instead, each free trade zone maintains its own labor department to address workers' concerns.

Prohibition of Forced or Bonded Labor

Forced or bonded labor is illegal in the UAE. However, some employment agents bring foreign workers to the country under conditions approaching indenture. Some women reportedly are brought to the country for service sector employment and later forced into prostitution. The Government prohibits forced and bonded child labor and generally enforces this prohibition effectively.

Starting October 1, 2004, the UAE Ministry of Labor began requiring employers to submit job offers stating the salary and job title of their prospective employees at the same time employers submit visa applications. The former practice was for employers to provide employment details on the visa applications only. This mandate is intended to make employers more accountable when applying for work visas on behalf of their employees and aims to protect the rights of workers, who are sometimes misled by their employers.

Status of Child Labor Practices and Minimum Age for Employment

The labor law prohibits employment of persons under the age of 15 and has special provisions for employing those 15 to 18 years of age. The Federal Ministry of Labor and Social Affairs is responsible for enforcing the regulations. Other regulations permit employers to employ only adult foreign workers. The UAEG does not issue work permits for foreign workers under the age of 18 years.

In July 2004, the UAEG passed a decree banning the use of child camel jockeys and included criminal penalties for violators up to and including imprisonment. The ban prohibits the use of camel jockeys less than 18 years of age and under 45 kilos.

Acceptable Conditions of Work

There are a considerable number of skilled foreign nationals in the country who are employed under favorable working conditions. However, the country is also a destination for a large number of unskilled workers, including more than 200,000 domestic servants, most of them women from South and East Asia, and an even larger number of unskilled male workers, mostly from South Asia. These unskilled laborers actively compete for jobs in the UAE, and some are subject to poor working conditions.

The standard workday is eight hours per day; the standard workweek is six days per week; however, these standards are not enforced strictly. Certain types of workers, notably domestic servants, are required to work longer than the mandated standard. The law also provides for a minimum of 24 days per year of annual leave plus 10 national and religious holidays. There is no legislated or administrative minimum wage; rather, supply and demand determine compensation. Compensation packages generally provide housing or housing allowances. In addition, other benefits, such as homeward passage or health cards for minimal to no-cost health care, are often provided to employees by their employers. The Labor and Social Affairs Ministry reviews labor contracts and does not approve any contract that stipulates a clearly unacceptable wage.

The Ministries of Health and of Labor and Social Affairs, municipalities, and civil defense enforce health and safety standards, and the Government requires every large industrial concern to employ a certified occupational safety officer. Contrary to popular belief, there is no law in the country that prohibits labor outdoors when the temperature exceeds 50 degrees Celsius. The law does require, however, that employers provide employees with a safe work environment. The UAE issued regulations in summer 2006, that laborers could not be required to work between noon and four pm over during the summer and penalized companies that did not comply.

Foreign-Trade Zones/Free Ports

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The UAE Free Zones today are home to more than 5,000 companies with a total investment estimated at more than US\$4 billion. Presently, 17 free trade zones operate in the UAE, and 11 more are in the developmental stage. Overall, these free zones form a vital component of the local economy, and serve as major re-export centers to the Gulf region.

Since UAE tariffs are low and not levied against many imports, the chief attraction of the free zones is the waiver of the requirement for majority local ownership. In the free zones, foreigners may own up to 100 percent of the equity in an enterprise. All free zones provide 100 percent import and export tax exemption, 100 percent exemption from commercial levies, 100 percent repatriation of capital and profits, multi-year leases, easy access to sea and airports, buildings for lease, energy connections (often at subsidized prices), and assistance in labor recruitment. In addition, the free zone authorities provide significant support services, such as sponsorship, worker housing, dining facilities, recruitment, and security.

By far the largest and most successful of the free zones is the Jebel Ali Free Zone (JAFZ) in Dubai, located 20 km south of Dubai city adjacent to the Jebel Ali Port. Over 5000 companies representing 80 countries have set up shop in the JAFZ, including numerous Fortune 500 firms.

The JAFZ managing authority authorizes three types of licenses – a general license, a specific license, and a national industrial license. The licenses are valid while a company holds a current lease from the free zone authority and are renewable annually as long as the lease is in force. The special license is issued to companies incorporated, or otherwise legally established, within the free zone or outside the UAE. In such cases, no other license is required, and the ownership of the company may be 100 percent foreign. The license is issued for any activity permitted by the free zone authority, including manufacturing. A company with a special license can operate only in the JAFZ or outside the UAE, but business can be undertaken and sales made in the UAE through or to a company holding a valid Dubai Economic Department license. A company with a special license, however, can itself purchase goods or services from within the UAE.

A variety of innovative free zones in Dubai have been established since 2000, most notably the TECOM (Technology, Electronic Commerce and Media) free zone. TECOM houses both Internet City and Media City, two subdivisions which cater, respectively, to the IT and media sectors. TECOM offers a high bandwidth, and state-of-the-art IT infrastructure. Current tenants of TECOM include prominent names such as Oracle, Reuters, CNN, Hewlett Packard and Microsoft. Other Dubai free zones planned include Health Care City, specializing in medical products and services, the Mohammed Bin Rashid Technology Park, which aims to promote scientific research and development, and to transfer technology throughout the region and the Dubai Aid City, which hosts local, regional and international relief aid donors, suppliers and organizations.

Foreign Direct Investment Statistics

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The United Nations Conferences on Trade and Development (UNCTAD) reports that inward FDI flow for the UAE was US\$840 million in 2004. Total U.S. foreign direct investment in the UAE was US\$2.3 billion in 2004. Official UAE government statistics on FDI flows are not available, but observers believe that foreign investment is an increasingly important source of finance. In November 2005, the UAE announced the

creation of a program to collect FDI information from each emirate in order to present a conclusive FDI picture for the UAE as a whole.

The Abu Dhabi Chamber of Commerce and Industry notes that the leading sectors for investment in the UAE in 2004 were (in order of magnitude of investment): oil and gas-field machinery and services, power and water, computer/peripherals, medical equipment and supplies, airport development and ground equipment, telecommunications, and franchising.

There are no restrictions or incentives with regard to the export of capital and outward direct investment, and UAE investment abroad is significant. It is conservatively estimated that the Abu Dhabi Investment Authority (ADIA) manages an approximate US\$250 billion in government assets in overseas markets – mostly in the United States, Europe, and Asia.

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<http://usembassy.state.gov/uae/>

<http://www.state.gov/>

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How Do I Get Paid (Methods of Payment)

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A growing and attractive market for a wide variety of products, the UAE can be a difficult place for American firms to do business. Payments tend to be slower than in the US and Europe. Commercial Letters of Credit are extensively used as a mean of payment in overseas trade. The most commonly used type of L/C, include: Sight, Deferred Payment, and Revolving L/Cs.

Government tenders are accompanied by a bid bond in the form of an unconditional bank guarantee for five percent of the value of the bid. However, these rules do not apply to major project awards or defense contracts, where there is no local company that can provide the goods or services required.

How Does the Banking System Operate

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According to United Arab Emirates (UAE) Central Bank data, the UAE banking sector grew on average by about 18 percent in 2004. Banks in the UAE fall in four broad categories: commercial banks, merchant or investment banks, Islamic Banks, and industrial banks. There are 21 locally incorporated banks with 312 branches and pay offices in the UAE and 43 branches abroad, 26 foreign banks with 110 branches, one restricted license bank, two investment banks, and 49 representative offices. The UAE Central Bank no longer issues licenses for new foreign banks to establish branches in the UAE. Local banks are exempted from any type of taxation whereas foreign banks pay a 20 percent tax on their profit.

The UAE Central Bank prohibits lending an amount greater than seven percent of a bank's capital base to any single customer. The bank defines a customer as an individual, a company, or a group of companies under common ownership, and capital base as local capital. Foreign banks with branches in the UAE are not permitted to calculate loans as a percentage of their global capital (which may however be used to calculate the capital adequacy ratio). In a revision to the rule in 1993, the Central Bank decided to exclude non-funded exposures, such as letters of credit and guarantees from the requirement. The Central Bank has also announced implementation of internationally recognized and accepted accounting principles, in the form of International Accounting Standard (IAS) number 30 on disclosure.

The current economic boom in U.A.E. has had a significant impact on the UAE Banking sector. Over the last year, the banking sector has grown at a faster rate than the rest of

the non-oil economy, in terms of most indicators like deposits, loans, assets and profits. The consumer and retail banking in the country is undergoing a major transformation, with banking services and products reaching a far greater penetration in the economy. Islamic banking has expanded considerably in recent years, with conventional banks offering such services, besides the dedicated Islamic banks.

Almost all banks have shown enormous growth in profitability during the last year. The top five U.A.E. banks, National Bank of Abu Dhabi, National Bank of Dubai, Abu Dhabi Commercial Bank, Emirates Bank and Mashreq Bank, saw an average growth in profitability of around 50% in 2004 over 2003. Leading the profitability was ADCB with a massive 98% increase in profits.

Strong economic growth, high oil prices and revenues led the growth in the banking business. Demand for property and real estate has been a major cause of growth, which has fuelled a large demand for borrowing. At the same time retail banking has been on the increase because of a growing population as well as increased consumer demand for banking services, which has led traditionally corporate focused banks to provide more consumer products.

The increase in Islamic banking has been a major phenomenon in the U.A.E. banking industry in recent times. The number of dedicated Islamic banks in the country has now risen to four. A major part of the spurt has come from conventional banks which have recently stepped up their offers for such banking and financial services. Industry estimates put the share of Islamic banking at around 20% of the total banking business, but with a much higher share in retail banking. Evidently a strong demand has existed, but it is for the banks to offer such financial services, which they are doing now. Dubai Islamic Bank saw its profit grow by 97%, and Abu Dhabi Islamic Bank by 22% in 2003-2004.

The trade and building sectors receive a major share of bank loans. Banks lend to the services, trade, and building sectors due to the scarcity of major investment scope in other productive sectors. The oil sector is the province of the government and is beyond the reach of the banks.

The Dubai Financial Market (DFM), officially opened in March 2000, preceded the Abu Dhabi Securities Market (ADSM) in November 2000. The ADSM opened with 13 listed stocks, and by late 2005 had 40 listings. Falling interest rates on bank deposits have produced a surge of interest in the DFM and ADSM, with total capitalization of the 76 firms listed on the two exchanges reaching over \$125 billion by end of 2005.

A third financial center, the Dubai International Financial Center (DIFC) was officially launched in February 2002. While the World Bank expressed interest in the project, the initiative will be competing in a tough environment. With the launch of the three new financial markets, the UAE Central Bank has drawn up plans to establish the country's first credit rating agency. The government hopes that such a regulatory step will help attract back some of the US\$400 billion that the IMF estimates is invested abroad by UAE investors.

Foreign-Exchange Controls

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Since the UAE Dirham is tied to the US dollar, interest rates in the UAE tend to parallel those in the US. The authorities believe that the exchange rate of 3.671 to the dollar, unchanged since 1980, promotes stability and confidence in the currency and mitigates against capital flight.

U.S. Banks and Local Correspondent Banks

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Citibank is the only US bank in the UAE that offers full banking services. Bank of America and First Union have representative offices in Dubai. Bank of New York has a representative office in Abu Dhabi. A number of UAE banks either have branches in the U.S. or correspond with certain American banks to cater to the needs of their local and international clientele.

Banks Operating in the UAE

1 – Local Banks

Abu Dhabi Commercial Bank
Abu Dhabi Islamic Bank
Arab Bank for Investment and Foreign Trade
Bank of Sharjah
Commercial Bank of Dubai
Commercial Bank International
Dubai Bank
Dubai Islamic Bank
Emirates Bank International
Emirates Islamic Bank
First Gulf Bank
InvestBank
Mashreqbank
National Bank of Abu Dhabi
National Bank of Dubai
National Bank of Fujairah
National Bank of Sharjah
National Bank of Umm Al Qaiwain
RAKBank
Union National Bank
United Arab Bank

2 – Foreign Banks

ABN Amro Bank
Al Ahli Bank of Kuwait
Arab African International Bank
Arab Bank

Bank Melli Iran
Bank of Baroda
Bank Saderat Iran
Banque Du Caire
Banque Libanaise Pour Commerce
Banque Libanaise Pour Le Commerce
BNP Paribas
Barclays Bank
Citibank NA
Credit Agricole Indosuez
El Nilein Bank
Habib Bank AG Zurich
Habib Bank Limited
HSBC Bank Middle East
Janata Bank
Lloyds Bank PLC
National Bank of Bahrain
National Bank of Oman
Rafidain Bank
Standard Chartered Bank
Standard Chartered Grindlays Bank
United Bank Limited

3 - Representative Offices

American Express Bank
Abbey National Plc
Aberdeen Asset Managers Ltd
A.G. Assets Management Int'l
Arab Banking Corporation
Bank of America
Bank Brussels Lambert
Bank of Bahrain and Kuwait
Bank of New York
Bank Muscat
Bank of Tokyo-Mistubishi Ltd.
Bank Gesellschaft Berlin AG
BNP Paribas
Clearstream Banking S.A.
Coutts & Co
Credit Lyonnais
Credit Suisse
Creditanstait AG
Deutsche Bank AG
Dresdner Bank AG
The Equitable Life Assurance Society
Fidelity Investments International
First Union National Bank
Gulf International Bank
The Housing Bank for Trade & Finance
HSBC International Ltd

Investment Bank for Trade & Finance
Kuwait Interests for Financial Investments
Merrill Lynch Bank Suisse
Man Investment Products Ltd
Nationwide International Ltd
Natexis Banque – BFCE
Philippine National Bank
Prudential Bache International Ltd
Qatar Islamic Bank
Royal Bank of Canada
Salmon Smith Barney Inc
Scottish Widows Int'l Ltd
Societe Generale Bank
Standard Bank London Ltd
State Street Bank & Trust Company
Tempelton Worldwide Inc
Towry Law Asia HK Ltd
UB S AG
Union des Banques Arabes et Francaises
Union Bancaire Privee
Unit Trust of India
United Bank of Kuwait
Westdeutsche Landesbank Girozentrale

Project Financing

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The development in the GCC of projects seeking financing is growing ever broader. From power and desalination complexes through petrochemical plants, gas development, and transportation projects, the role of the private sector in large-scale projects is becoming more varied and important. GCC project financing picked up dramatically in 2001 and stayed strong through 2003 and 2004 with over US\$4 billion in project financing arranged in the last twelve months. Major international and local banks are behind these projects advising and arranging for the major part of the financing, exceeding 75 percent on some of the independent water and power projects. The proportion of financing and the transaction leadership is steadily shifting towards local and regional banks, including in some cases, Islamic banks.

In mid-May 2003, the government of Dubai officially launched a US\$408 million bond issue on the Dubai Financial Market (DFM). The bond issue was a first in the UAE with the purpose of financing a variety of ongoing and new projects that Dubai has undertaken as part of its growth strategy. The bond issue was arranged and underwritten by a pool of local and international banks

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Export-Import Bank of the United States: www.exim.gov

Country Limitation Schedule: www.exim.gov/tools/country/country_limits.html

OPIC: www.opic.gov

Trade and Development Agency: www.tda.gov

SBA's Office of International Trade: www.sba.gov/oit

USDA Commodity Credit Corporation: www.fsa.usda.gov/ccr/default.htm

U.S. Agency for International Development: www.usaid.gov

Abu Dhabi Securities Market: www.adsm.ae

Dubai Financial Market: www.dfm.ae

Dubai International Financial Center: www.difc.ae

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Business Customs

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Men and women work together in United Arab Emirates (UAE) offices. UAE nationals wear traditional national dress and women usually dress conservatively and modestly. Western women traveling to the UAE for business should dress conservatively, in pant- or skirt suits or dresses with sleeves.

As in many Middle Eastern countries, meetings can run late and projects may experience postponements and extensions. US business visitors, however, are expected to be punctual for all appointments. It is most important to respond to fax and other communications promptly.

In a meeting, the host will offer tea or coffee upon arrival. It is rude to refuse this beverage. Formal greetings can take several minutes. It is considered impolite to begin addressing business topics without taking several minutes for small talk. Courtesy is more emphasized in the UAE than in typical US business meetings. Never ask about a man's wife. Business cards and gifts should be offered with the right, not left, hand.

Travel Advisory

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There is no specific travel advisory in effect for the UAE. Business travel to the UAE has been untouched by the violence regarding the Palestine-Israel conflict. A general worldwide advisory concerning terrorism is in effect and travelers should contact the US Department of State's Office of Citizen Services or the nearest US Embassy or Consulate for an update.

The website for the US Embassy in Abu Dhabi is <http://usembassy.state.gov/uae/>

Visa Information

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US visitors can obtain a 60-day tourist visa at any point of entry. This visa can be renewed for another 30 days at a fee of 500 Dhs. These visas do not permit employment in the UAE.

An AIDS test is mandatory for obtaining a residence permit, which is a requirement for all expatriates and their dependents living in the UAE. The test must be conducted in the UAE by the Preventive Medicine Unit of the UAE Ministry of Health, or at Al Noor Hospital in Abu Dhabi. (The cost would be higher in Al Noor Hospital).

For further information regarding travel or immigration to the UAE, travelers may contact the UAE Embassy, Suite 700, 1255 22nd Street NW, Washington, DC 20037, Tel (202) 243-2400, Fax (202) 243-2432.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

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Chapter 9: Contacts, Market Research, and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

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US Government Trade Related Contacts in the UAE

Senior Commercial Officer: Christian Reed
US Embassy, Commercial Section
P.O. Box 4009, Abu Dhabi
Tel: (971-2) 414-2665
Fax: (971-2) 414-2228
E-mail: abu.dhabi.office.box@mail.doc.gov
Website: www.buyusa.gov/uae

Principal Commercial Officer: Patrick Wall
US Consulate General, Commercial Section
P.O. Box 9343, Dubai
Tel: (971-4) 311-6171
Fax: (971-4) 311-6140
E-mail: dubai.office.box@mail.doc.gov
Website: www.buyusa.gov/uae

Commercial Officer: James Sitton
US Embassy, Commercial Section
P.O. Box 4009, Abu Dhabi
Tel: (971-2) 414-2562
Fax: (971-2) 414-2228
E-mail: abu.dhabi.office.box@mail.doc.gov
Website: www.buyusa.gov/uae

US Consulate General, Agriculture Trade Office

Regional Director: Mike Henney
P.O. Box 9343, Dubai
Tel: (971-4) 311-6183
Fax: (971-4) 311-6189
E-mail: atodubai@emirates.net.ae
Website: http://usembassy.state.gov/uae/agr_trade.html
Office covers: Bahrain, Kuwait, Oman, Qatar and UAE

US Government Trade Related Contacts in Washington, D.C.

UAE Desk Officer: Maram Talaat
International Trade Administration
US Department of Commerce
14th St. & Constitution Avenue, N.W.
Washington, D.C. 20230-0001
Tel: (202) 482-3742
Fax: (202) 482-0878
Email: : maram_talaat@ita.doc.gov

Africa, Near East and South Asia Regional Office (ANESA)
Foreign Commercial Service
Director: Daniel Harris
US Department of Commerce
14th St. & Constitution Avenue, N.W.
Washington, D.C. 20230-0001
Tel: (202) 482-4836
Fax: (202) 482-5179

Trade Information Center (TIC)
US Department of Commerce
Washington, D.C. 20230-0001
Tel: 1-800-USA-TRADE
Website: www.export.gov
email: tic@ita.doc.gov

Trade Assistance and Promotion Office (TAPO)
Foreign Agricultural Service (FAS)
US Department of Agriculture
Box 1052
Washington, D.C. 20250-1052
Tel: 202-720-7420
Fax: 202-690-4374
Website: www.fas.usda.gov

UAE Embassy in US

Embassy of the United Arab Emirates
1255 22nd Street, N.W., Suite 700
Washington, D.C. 20037
Tel: 202-243-2400
Fax: 202-243-2432
Website: <http://www.uae-embassy.org>

UAE Consulate General
74 7th Ave 36th Floor
New York, NY 10017
Tel: 212-371-0419
Fax: 212-577-3888

US Based Multipliers relevant for UAE

National US Arab Chamber of Commerce
1100 New York Ave., N.W.
East Tower, Suite 550
Washington, D.C. 20005
Tel: 202-289-5920
Fax: 202-289-5938
Website: <http://www.nusacc.org>
Email: nusacc@aol.com

American Business Council of the Gulf Countries (ABCGC)
C/o Intercom International Consultants
1101 30th Street, N.W., Suite 500
Washington, D.C. 20007
Tel: 202-887-1887
Fax: 202-887-1888
Website: <http://www.abcgcc.org>

Government of Dubai Department of Tourism & Commerce Marketing
8 Penn Center
Philadelphia, PA 19103
Tel: 215-751-9750
Fax: 215-751-9551
E-mail: dtdcm.usa@dubaitourism.co.ae
(covers North America – East and Central)

901 Wilshire Boulevard
Santa Monica, CA 90401
Tel: 310-752-4488
Fax: 310-752-4444
E-mail: dubaiusa@aol.com
(covers North America - West Coast)

Major UAE Trade Associations/Chambers of Commerce

The American Business Council of Dubai and Northern Emirates
P.O. Box 9281, Dubai, UAE
Tel: 971-4-340-7566; Fax: 971-4-340 -7565
Email: amchamdx@emirates.net.ae
Website: www.abcdubai.com

The American Business Group of Abu Dhabi
P.O. Box 43710, Abu Dhabi, UAE
Tel: 971-2-671-1141; Fax: 971-2-671-1017
Email: abgroup@emirates.net.ae
Website: www.abg-ad.com

Federation Chamber of Commerce & Industry
P.O. Box 3014, Abu Dhabi, UAE
Tel: 971-2- 621-4144; Fax: 971-2-633-9210

Email: fcciauh@emirates.net.ae

Abu Dhabi Chamber of Commerce & Industry
P.O. Box 662, Abu Dhabi, UAE
Tel: 971-2-621-4000, Fax: 971-2-621-5867
Email: services@adcci.gov.ae
Website: www.adcci-uae.com

Dubai Chamber of Commerce & Industry
P.O. Box 1457, Dubai, UAE
Tel: 971-4-228-0000; Fax: 971-4-221-1646
Email: info.center@dcci.gov.ae
Website: www.dcci.gov.ae

Sharjah Chamber of Commerce & Industry
P.O. Box 580, Sharjah, UAE
Tel: 971-6-554-1444; Fax: 971-6-554-1119
Website: www.sharjah.gov.ae
Email: scci@sharjah.gov.ae

Ajman Chamber of Commerce & Industry
P.O. Box 662, Ajman, UAE
Tel. 971-6-742-2177
Fax. 971-6-742-7591
Website: <http://www.ajcci.co.ae>
Email: ajmchmbr@emirates.net.ae

Fujairah Chamber of Commerce, Industry & Agriculture
P.O. Box 738, Fujairah, UAE
Tel. 971-9-222-2400
Fax. 971-9-222-1464
Website: <http://fujairahchamber-uae.com>
Email: fujccia@emirates.net.ae

Ras Al Khaimah Chamber of Commerce, Industry & Agriculture
P.O. Box 87, Ras Al Khaimah, UAE
Tel. 971-7-233-3511
Fax. 971-7-233-0233
Website: <http://www.rakchamber.com>
Email: rakchmbr@emirates.net.ae

Umm Al Quwain Chamber of Commerce & Industry
P.O. Box 436, Umm Al Quwain, UAE
Tel. 971-6-765-1111
Fax. 971-6-765-5055
Email: uaqcci@emirates.net.ae

UAE Federal Ministries

Ministry of Agriculture and Fisheries
P.O. Box 213, Abu Dhabi, UAE
Tel: 971-2-666-2781, Fax: 971-2-665-4787
Website: <http://www.uae.gov.ae/maf>

Ministry of Communications
P.O. Box 900, Abu Dhabi, UAE
Tel: 971-2-665-1900, Fax: 971-2-665-1691
Website: <http://www.uae.gov.ae/moc>

Ministry of Defense
P.O. Box 2838, Dubai, UAE
Tel. 971-4-353 2330, Fax. 971-4- 353 1974

Ministry of Education
P.O. Box 295, Abu Dhabi, UAE
Tel. 971-4-621 3800, Fax 971-2-6313778
<http://www.moe.gov.ae>

Ministry of Economy & Planning
P.O. Box 901, Abu Dhabi, UAE
Tel. 971-2-626 5000, Fax. 971-2- 621 5339
Email: economy@emirates.net.ae
Website: www.economy.gov.ae

Ministry of Energy
P.O. Box 59, Abu Dhabi, UAE
Tel: 971-2-667-1999, Fax: 971-2-6664573
Email: mopmr@uae.gov.ae
<http://www.uae.gov.ae/moew>

Ministry of Finance & Industry
P.O. Box 433, Abu Dhabi, UAE
Tel. 971-2-672-600, Fax. 971-2-6768414
Website: <http://www.uae.gov.ae/mofi>
Email: fedfinem@emirates.net.ae
<http://www.uae.gov.ae/mofi>

Ministry of Foreign Affairs
P.O. Box. 1
Abu Dhabi, UAE
Tel. 971-2-665 2200, Fax 971-2-666 8015
Email: mofa@uae.gov.ae

Ministry of Health
P.O. Box 848, Abu Dhabi, UAE
Tel: 971-2-633-0000, Fax: 971-2-621-7722
Website: <http://www.moh.gov.ae>
Email: postmaster@moh.gov.ae

Ministry of Information & Culture
P.O. Box 17, Abu Dhabi, UAE
Tel. 971-2-445-3000, Fax. 971-2-445-2504
Website: www.uaeinteract.com
Email: mininfex@emirates.net.ae & info@extinfo.gov.ae

Ministry of Justice, Islamic Affairs and Awqaf
P.O. Box 260, Abu Dhabi, UAE
Tel. 971-2-6814000, Fax. 971-2-6810680
Website: <http://www.uae.gov.ae/moj/>

Ministry of Labour and Social Affairs
P.O. Box 809, Abu Dhabi, UAE
Tel. 971-2- 667 1700, Fax. 971-2- 666 5889
Website: <http://www.mol.gov.ae/>

Ministry of Public Works & Housing
P.O. Box 878, Abu Dhabi, UAE
Tel. 971-2-665 1778, Fax. 971-2-666 5598
Email: mpwh@uae.gov.ae
Website: <http://www.mpw.ae/>

Federal Authority of Electricity and Water
P.O. Box 1672
Tel. 971-4- 2626262
Fax. 971-4-2690064
<http://www.fewaonline.gov.ae/>

Federal Environment Agency
P.O. Box 5951, Abu Dhabi, UAE
Tel. 971-2-6777363
Fax. 971-2-6770501
email: uaefea@emirates.net.ae
Website: <http://www.fea.gov.ae>

Ministry of State for Cabinet Affairs
P.O. Box 899, Abu Dhabi, UAE
Tel. 971-2- 681 1113, Fax, 971-2- 681 2968
Email: moca@uae.gov.ae
Website: <http://www.csb.gov.ae>

Ministry of State for Supreme Council and GCC Affairs
P.O. Box 545, Abu Dhabi, UAE
Tel. 971-2-632 3900, Fax. 634 4225

General Secretariat of Municipalities
P.O. Box 5665, Dubai, UAE
Tel: 971-4-223-7785, Fax: 971-4-222-5843

UAE Armed Forces General Headquarters (GHQ)
P.O. Box 3755, Abu Dhabi, UAE
Tel: 971-2-441-4999, Fax: 971-2-441-4103

UAE Armed Forces Directorate of General Purchasing
GHQ, P.O. Box 2501, Abu Dhabi, UAE
Tel: 971-2-441-5300, Fax: 971-2-441-5687

Important Government Authorities in Abu Dhabi

Abu Dhabi Department of Civil Aviation
P.O. Box 20, Abu Dhabi, UAE
Tel: 971-2-575-7500, Fax: 971-2-575-7285
Website: <http://www.dcaauh.gov.ae>

Abu Dhabi Municipality
P.O. Box: 263, Abu Dhabi, UAE
Tel: 971-2-678-8888, Fax: 971-2-677-4919
Website: <http://www.adm.gov.ae>

Customs Department
P.O. Box 255, Abu Dhabi, UAE
Tel: 971-2-673-0700, Fax: 971-2-673-1150
Website: <http://auhcustoms.gov.ae>

Abu Dhabi Seaport Authority
P.O. Box 422, Abu Dhabi, UAE
Tel: 971-2-6730336, Fax: 971-2-6731023
Website: <http://www.portzayed.gov.ae>

Abu Dhabi Water & Electricity Authority
P.O. Box 422, Abu Dhabi, UAE
Tel. 971-2-694-3333, Fax. 971-2-694-3491
Website: <http://www.adwea.gov.ae/>

Purchasing Department
P.O. Box 838, Abu Dhabi, UAE
Tel. 971-2-621-2700, Fax. 971-2-634-3696

Public Works Department
P.O. Box 3, Abu Dhabi, UAE
Tel. 971-2-443-4111, Fax. 971-2-434338
Email: wd@gov.ae

Important Government Authorities in Dubai & Northern Emirates

Dubai

Dubai Civil Aviation Department
P.O. Box 2525, Dubai, UAE
Tel: 971-4-206-2525, Fax: 971-4-224-4074
Website: <http://www.dubaiairport.com>

The Dubai Department of Economic Development
P.O. Box 13223, Dubai, UAE
Tel: 971-4-222-9922, Fax: 971-4-222-5577
Website: <http://www.dubaided.gov.ae>

Dubai Port Customs & Free Zone Corporation
P.O. Box 63, Dubai, UAE
Tel: 971-4- 345-5555, Fax: 971-4- 345-0460
Website: <http://www.dxbcustoms.gov.ae>

Dubai Ports Authority
P.O. Box 17000, Dubai, UAE
Tel: 971-4-804-0500, Fax: 971-4-881-6093
Website: <http://www.dpa.co.ae>

Dubai Municipality
P.O. Box 67, Dubai, UAE
Tel: 971-4-221-5555, Fax: 971-4-224-6666
Website: <http://www.dm.gov.ae>

Department of Tourism and Commerce Marketing(DTCM)
P.O. Box 594, Dubai, UAE
Tel. 971-4-223-0000, Fax. 971-4-223-0022
Website: <http://dubaitourism.co.ae>

Jebel Ali Free Zone Authority
P.O. Box 17000, Dubai, UAE
Tel. 971-4-8815000, Fax. 971-4-881-6093
Website: www.jafza.ae

Dubai Electricity & Water Authority
P.O. Box 564, Dubai, UAE
Tel. 971-4-324-4444, Fax. 971-4-324-8111
Website: <http://www.dewa.gov.ae>

Dubai Internet City
P.O. Box 73000, Dubai, UAE
Tel. 971-4-391-1111, Fax. 971-4-391-1110

Website: <http://www.dubaiinternetcity.com>

Dubai Airport Free Zone
P.O.Box 491, Dubai, U.A.E
Tel: 971-4-2995555, Fax: 971-4-95500
Email: invest@dafza.gov.ae
Website: www.dafza.gov.ae

Dubai Cars & Automotive Zone
P. O. Box No 17000 Dubai, UAE
Tel: 971-4-3335000
Fax: 971-4-3335777
Website: www.ducamz.co.ae

Dubai Media City
P.O. Box 53777, Dubai, UAE
Tel. 971-4-391-4555, Fax. 971-4-391-4070
Website: <http://www.dubaimediacity.com>

The Gold & Diamond Park
P.O.Box. 37370
Tel.971-4-3477576
Fax:971-4-3473206
E-mail: enquiry@emaar.co.ae
Website: www.goldanddiamondpark.com

Dubai Broadcast Media Zone
P.O. Box 72280
Dubai, UAE
Tel. 971-4- 3914895
Fax. 971-4- 3914888
E-mail: info@broadcastmediazone.com
website: www.broadcstmediazone.com

Sharjah

The Sharjah Commerce & Tourism Development Authority
P.O. Box 26661, Sharjah, UAE
Tel. 971-6-556-6777, Fax. 971-6-556-3000
Website: <http://www.sharjahtourism.ae>

Sharjah Chamber of Commerce and Industry
P.O. Box 22, Sharjah, UAE
Tel. 971-6-568-8888, Fax. 971-6-568-1119
Website: <http://www.sharjah.gov.ae>

Civil Aviation Department
P.O. Box 8, Sharjah, UAE
Tel. 971-6-558-1313, Fax. 971-6-558-0880
Website: <http://www.sharjahairport.ae>

Sharjah Ports
P.O. Box 510, Sharjah, UAE
Tel. 971-6-528-1666, Fax. 971-2-528-1425
Website: <http://www.sharjahseaports.gov.ae>

Economic Department
P.O. Box 829, Sharjah, UAE
Tel. 971-6-573-4444, Fax, 971-6-573-4111
Website: www.sedd.gov.ae

Sharjah Electricity & Water
P.O. Box 135, Sharjah, UAE
Tel. 971-6-528-8888, Fax. 971-6-528-8000
Website: <http://www.sewa.gov.ae>

Sharjah Airport International Free Zone (SAIF Zone)
P.O. Box 8000, Sharjah, UAE
Tel. 971-6-557-0000, Fax. 871-6-557-1010
Website: <http://www.saif-zone.com>

Sharjah Hamriya Free Zone Authority
P.O. Box 1377, Sharjah, UAE
Tel. 971-6-526-3333, Fax. 971-6-526-3444
Website: <http://www.hamriyahfz.com>

Customs Department
P.O. Box 1651, Sharjah, UAE
Tel. 971-6-528-2216, Fax. 971-6-528-1425
Website: <http://www.sharjahcustoms.gov.ae>

Ajman

Economic Department
P.O. Box 870, Ajman, UAE
Tel. 971-6-744-6244, Fax. 971-6-745-7555

Ajman Municipality
P.O. Box 3, Ajman, UAE
Tel. 971-6-742-2230, Fax. 971-6-742-2330
<http://www.am.gov.ae>

Ajman Port & Customs
P.O. Box 388, Ajman, UAE
Tel. 971-6-747-0111, Fax. 971-6-747-0333
Website: <http://www.ajmanport.org>

Ajman Free Zone Authority
P.O. Box 932, Ajman, UAE

Tel. 971-6-742-5444, Fax. 971-6-742-9222
Website: <http://www.ajmanfreezone.gov.ae>

Fujairah

Fujairah Free Zone Authority
P.O. Box 1133, Fujairah, UAE
Tel. 971-9-222-8000, Fax. 971-9-222-8888
Website: <http://www.fujarahfreezone.com>

Fujairah Municipality
P.O. Box 7, Fujairah, UAE
Tel. 971-9-222-7000, Fax. 971-9-222-2231
Website: <http://www.fujairah.gov.ae>

Department of Industry & Economy
P.O. Box 1, Fujairah, UAE
Tel. 971-9-222-2111, Fax. 971-9-222-3399

Civil Aviation Department
P.O. Box 977, Fujairah, UAE
Tel. 971-9-222-6222, Fax. 971-9-222-7279
Website: <http://www.fujairah-airport.com>

Port of Fujairah
P.O. Box. 787, Fujairah, UAE
Tel. 971-9-222-8800, Fax. 971-2- 2228811
Website: <http://www.fujairahport.com>

Ras Al Khaimah

Ras Al Khaimah Free Trade Zone
P.O. Box 10055, Ras Al Khaimah, UAE
Tel. 971-7-228-0889, Fax. 971-2-228-0482
Website: <http://www.rakiftz.com>

Ras Al Khaimah Municipality
P.O. Box 4, Ras Al Khaimah, UAE
Tel. 971-7-233-2422, Fax. 971-233-0899
Website: <http://www.rakmunicipality.com>

Ras Al Khaimah Port & Customs Dept.
P.O. Box 8, Ras Al Khaimah, UAE
Tel. 971-7-233-3613, Fax. 971-7-233-7666
<http://www.sagrpport.com>

Umm Al Quwain

Umm Al Quwain Port
P.O. Box 279, Umm Al Quwain, UAE
Tel. 971-6-765-5882
Fax. 971-6-765-1552

Umm Al Quwain Municipality
P.O. Box 12, Umm Al Quwain, UAE
Tel. 971-6-765-6145, Fax. 971-6-765-5138

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website:

<http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

List of Agricultural Reports:

- American Food Directory for the GCC-5 (2004-2005 Edition)
- Guide for Doing Business in the Gulf
- Update of U.S. Agricultural Exports to the GCC-5
- The UAE Food Retail Sector Report
- The UAE Food and Agricultural Import Regulations and Standards (FAIRS)

Note: Agricultural reports are available via the Reports Office, USDA/FAS, Ag Box 1052, Washington, D.C. 20250-1052 and via the FAS Home Page on the Internet at the following URL:

<http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.buyusa.gov/uae/en/19.html>

All major U.S. food and agricultural exhibitions are listed on the FAS Home Page on the Internet at the following URL:

http://www.fas.usda.gov/agx/trade_events/us_trade_shows.asp

All major international food and agricultural exhibitions with endorsed or sponsored USA Pavilion participation are listed on the FAS Home Page on the internet at the following URL:

<http://www.fas.usda.gov/agexport/shows/TradeShowCalendar05-06.pdf>

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Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Identify the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

http://www.buyusa.gov/uae/en/service_for_us_companies.html

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.